

City of Mission



**Comprehensive Annual Financial Report
For Fiscal Year Ended September 30, 2018**

City of Mission, Texas

CITY OF MISSION, TEXAS

Comprehensive Annual Financial Report

*For Fiscal Year Ended
September 30, 2018*

*Prepared By:
Finance Department*

MISSION CITY COUNCIL



Dr. Armando O'Cana
Mayor



Norie Gonzalez Garza
Mayor Pro Tem



Gus Martinez
Council Member



Jessica Ortega-Ochoa
Council Member



Ruben Plata
Council Member

CITY OF MISSION, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2018

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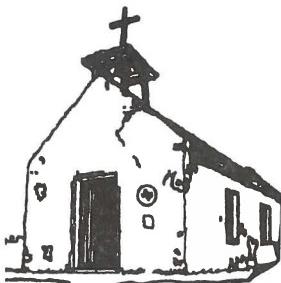
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INTRODUCTORY SECTION



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CITY OF MISSION

"Home of the Grapefruit"

April 23, 2019

To the Honorable Mayor,
Members of the City Council,
and Citizens of the City of Mission, Texas:

The Comprehensive Annual Financial Report (the CAFR) of the City of Mission, Texas (the City) for the fiscal year ended September 30, 2018, is submitted in accordance with Section 3.14 of the City Charter.

This report contains management's representations concerning the finances of the City of Mission; consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Mission has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Mission's financial statements in conformity with GAAP. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Burton McCumber & Longoria, LLP, has issued an unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2018. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this transmittal letter and should be read in conjunction with it.

The City is required to undergo an annual single audit in conformity with the provisions of the Uniform Guidance and Texas Uniform Grant Management Standards. Information related to the single audit, including the Schedule of Expenditures of Federal and State Awards, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations are included in the single audit report.

CITY PROFILE AND STRUCTURE

The City of Mission was incorporated on March 19, 1910 and is located along the U.S. - Mexico border in South Texas. The City currently occupies a land area of approximately 35.42 square miles. The City's population has grown since the 2000 census from 45,408 to 77,058 as per the 2010 census, an increase of 70%. The City is empowered to levy a property tax on both real and personal property located within its boundaries and it is empowered by state statute to extend its corporate limits by annexation, when deemed appropriate by the City Council.

The City of Mission is a political subdivision located in Hidalgo County operating as a home rule city under the City's Home Rule Charter, which was last amended on May 10, 2008. The City operates under a Council/Manager form of government where the Mayor and four Council members are elected at large to four-year staggered terms. The City Council is responsible, among other things, to enact local legislation, adopt budgets, determine policies and appoint the City Manager and City Attorney. The City Manager is responsible for executing the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the City's departments.

The City provides a full range of services, including police and fire protection; the construction and maintenance of streets and other infrastructure; recreational and cultural events; water, sewer, and sanitation services; and a municipal golf course.

Budget

The annual budget serves as the foundation for the City's financial planning and control. The department heads of the City are required to submit requests for appropriations to the City Manager by the second Friday in June; the City Manager uses these requests as the starting point in developing a proposed budget. The City Manager then presents the proposed budget to the City Council for their review by mid-August. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than fifteen (15) days prior to October 1; the beginning of the new fiscal year. The budget is prepared in order of fund, function, and department. The legal level of budgetary control is in the department level within each fund. Any change to the original budget, which will exceed or deplete the appropriated amount at the department level requires City Council approval. Any change to the original departmental budget between line items will be processed through a budget reclassification form, which requires the approval of the City Manager, Finance Director, and Department Head. Budget adjustments may not be made between different departments nor can they be used to increase or decrease wages and benefits; such changes will require City Council approval.

LOCAL ECONOMY

Mission is one of the major cities of the McAllen-Edinburg-Mission Metropolitan Statistical Area (MSA). Mission is among the fastest growing cities in the Rio Grande Valley, State of Texas, and United States.

Because of the semi-tropical weather, culture, friendliness, and proximity to Mexico, Mission has become home to “Winter Texans” for four to six months out of the year. Winter Texans are mostly retired citizens from northern states who visit the Rio Grande Valley to escape the cold winter weather. Thousands of visitors from Mexico also contribute to the economy of the City. The City currently has eleven businesses that provide lodging to tourists.

Over the past nine years, the City of Mission has experienced significant economic growth and investment. More than \$594 million in residential and commercial development has been completed or is in various phases throughout the City. The increase in commercial and residential development has contributed to the decline in the unemployment rate for the City of Mission. According to the Texas Labor Market Information website, the City’s unemployment rate decreased from 6.5% to 5.8% as of November 2018.

The City of Mission, Mission Regional Medical Center, Sharyland Independent School District, and Mission Consolidated Independent School District, also have a significant economic presence, employing more than 5,700 professionals, teachers, and support staff.

The City continues to work very closely with the MRA and Hunt Valley Development to promote development along the Anzalduas Highway, which was completed during FY 2013. The MRA is completing the installation of wastewater infrastructure in the area. It is expected that once the area is fully developed, both property and sales tax revenues will increase. For FY 2018, sales tax reflected an increase of 4.35% compared to prior year.

The following list identifies the major accomplishments that the City has undertaken to improve the community and its economy.

Fiscal Year 2017-2018 Accomplishments

- Maintained the Tax Freeze for the elderly and disabled as well as the \$10,000 Tax Exemption for the elderly and disabled.
- The City was awarded \$2.95 million in State and Federal Grants for housing, public safety services and equipment, park improvements, homeless prevention programs, and education programs.
- Eight new homes were reconstructed and three homes were rehabilitated by the CDBG housing program during the year and two were approved towards the end of the fiscal year to be constructed in the FY 2019.
- Completed Phase II of the Taylor Road Expansion Project.
- Commenced Phase III of the Taylor Road Expansion Project. This project will be funded through an inter-local agreement with City of Mission, City of McAllen, and Hidalgo County.
- Completed park improvements at various parks throughout the city, to include two new dog park areas in existing parks.
- Completed the construction of the Mission Event Center.
- Continued the construction of the Wastewater Treatment Plant Expansion Project.
- Completed the construction of a water tower next to the Mission Event Center.

- Commenced the design and preliminary engineering work for the interconnecting roadways for the future Inspiration Road/Military Parkway Loop.
- Completed park renovation project at Leo Pena Placita Park.
- Completed the Mile 2 North expansion project from Conway Avenue to Inspiration Road.
- Completed the Mile 2 North expansion project from Inspiration Road to Moorfield Road.
- Commenced a \$1.9 million Texas Parks & Wildlife and Valley Baptist Legacy Foundation Grant Project for a future Mission Tennis Center.

The following list identifies the major initiatives that the City has proposed in Annual Budget Report.

Major Initiatives For Fiscal Year 2018-2019

- Commence the collection of in-house commercial sanitation pickup for the residents of our city.
- Introduce a recycling collection program in our sanitation department for our residents.
- Complete the Mission Tennis Center.
- Commence a sewer line improvement project for the North Conway area.
- Commence the Bentsen Palm Development Phase II project to include construction of a lift station.
- Complete the Inspiration North Road Project from Hwy 83 to Mile 3.
- Complete the construction of the Wastewater Treatment Plant Expansion Project.
- Continue to work with the Mission Master Plan and grant applications for funding of park development projects.
- Commence the expansion of our Bannworth Gym to include classroom settings for use by our Boys & Girls Club program.
- Commence roof improvement projects of two municipal facilities.
- Continue Phase III of the Taylor Road Expansion Project. This project is funded through an inter-local agreement with City of Mission, City of McAllen, and Hidalgo County.
- Continue applying for federal and state grants that would enable the City to provide additional positions for the Police and Fire Departments.
- Continue the practice in the CDBG program of focusing solely on providing for the reconstruction of homes and the funding of several public agencies. Thirteen homes are currently budgeted for reconstruction with CDBG funds.
- Improve workplace safety and reduce the number of injury claims by implementing safety programs aimed at making employees aware of conditions around them and taking pro-active measures to correct problem areas and reduce general liability insurance and worker's compensation claims.

LONG-TERM FINANCIAL PLANNING

The City adopted a Fund Balance Policy on June 27, 2011 requiring the General Fund Unrestricted Fund Balance maintain a minimum of two (2) months of operating expenditures. Unrestricted Fund Balance is composed of unassigned, committed, and assigned net assets. The City did not meet this requirement at year-end with an ending Unrestricted Fund Balance of \$3,307,616. Careful long-term financial planning is an on-going goal for the City; therefore, it is the intent of the City Council

and management to meet the Fund Balance Policy requirement. The City fell short of meeting this requirement by \$4,052,693.

The City's FY 2018 Budget was prepared very conservatively based on current economic activity within our city. The City will continue to apply for federal and state grants and will continue to fund capital needs through the issuance of debt.

The City's Master Plan, which is constantly being reviewed, is used to guide city staff in meeting the future needs and demands of this fast growing community and still maintain the necessary fund balance.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to City of Mission, Texas for its comprehensive annual financial report for the fiscal year ended September 30, 2017. This is the seventeenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the Finance Department. We would like to express our appreciation to all members of the Finance Department and other City departments who assisted and contributed to its preparation. Credit should also be given to the Mayor, City Council, MEDC and MRA, for their interest and support in planning and conducting the operations of the City in a responsible and progressive manner.

In conclusion, we would like to thank the City's auditing firm, Burton McCumber & Longoria, LLP., for their efforts, not only in the performance of the City's annual audit, but for their professionalism and dedication. They have been an excellent source of information for the preparation of the report.

Respectfully submitted,



Randy Perez
City Manager



Angie Vela
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Mission
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Christopher P. Monill

Executive Director/CEO

CITY OF MISSION, TEXAS

List of Principal Officials Year Ended September 30, 2018

CITY OFFICIALS

<i>Mayor</i>	<i>Dr. Armando O'Cana*</i>
<i>Mayor Pro Tem</i>	<i>Norie Gonzalez Garza</i>
<i>Council Member</i>	<i>Gus Martinez*</i>
<i>Council Member</i>	<i>Jessica Ortega-Ochoa</i>
<i>Council Member</i>	<i>Ruben Plata</i>

CITY ADMINISTRATION

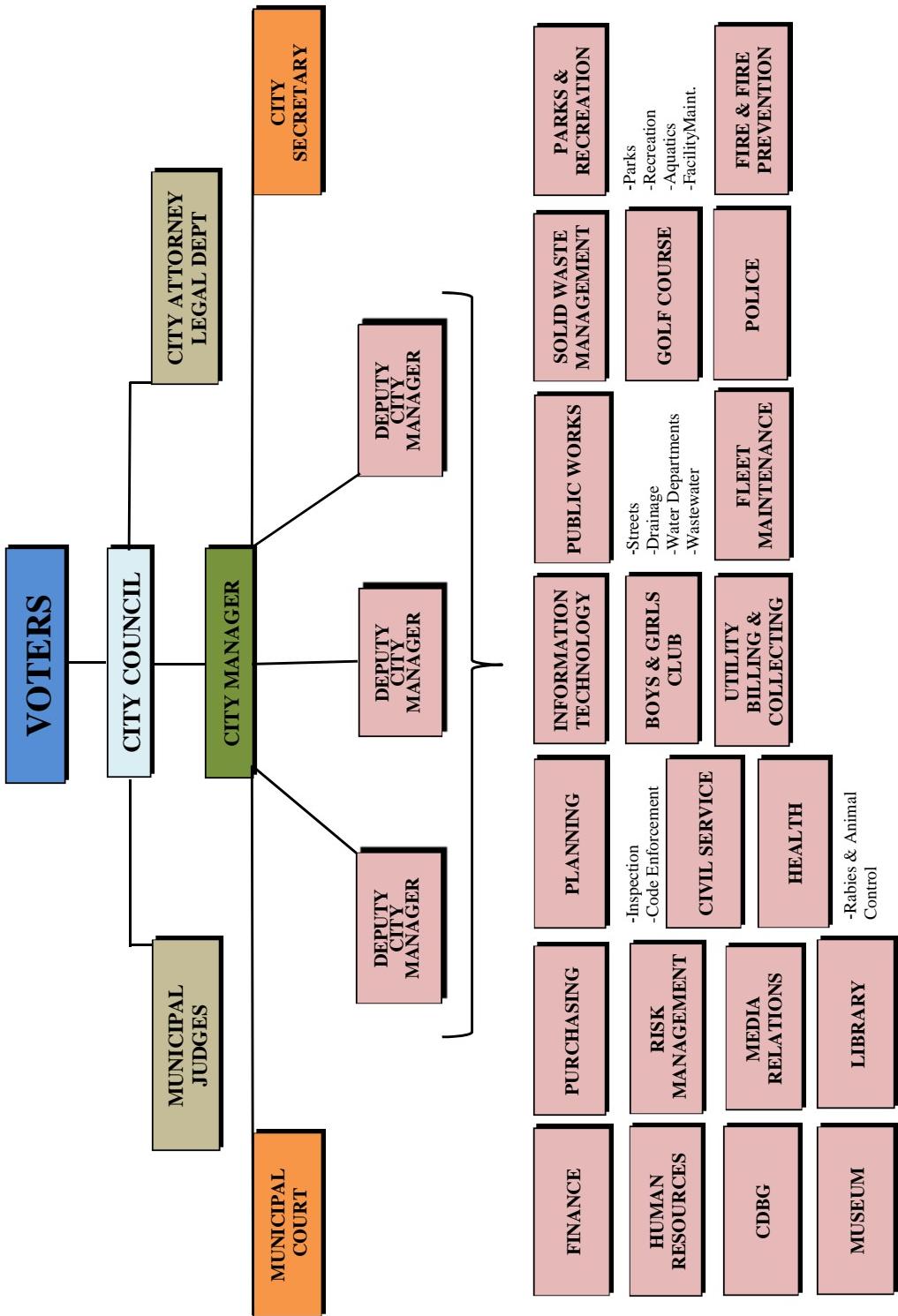
<i>City Manager</i>	<i>Martin Garza, Jr.</i>
<i>Deputy City Manager</i>	<i>Aida Lerma</i>
<i>Deputy City Manager</i>	<i>Randy Perez</i>
<i>City Secretary</i>	<i>Anna Carrillo</i>
<i>Finance Director</i>	<i>Angie Vela</i>
<i>Assistant Finance Director</i>	<i>Ezeiza Garcia</i>
<i>City Attorney</i>	<i>Abiel Flores</i>
<i>Deputy City Attorney</i>	<i>Jaime Tijerina</i>
<i>Boys & Girls Club Director</i>	<i>Juan Arevalo</i>
<i>CDBG Director</i>	<i>Joanne Longoria</i>
<i>Civil Service Director</i>	<i>Jesse Lerma</i>
<i>Fire Chief</i>	<i>Gilbert Sanchez</i>
<i>Fleet Director</i>	<i>J.C. Avila</i>
<i>Golf Course Director</i>	<i>Mario Flores</i>
<i>Health Director</i>	<i>Noel Barrera</i>
<i>Human Resources Director</i>	<i>Noemi Munguia</i>
<i>Information Technology Director</i>	<i>Roland Rodriguez</i>
<i>Library Director</i>	<i>Mayra Rocha</i>
<i>Media Relations Director</i>	<i>Humberto Garcia</i>
<i>Municipal Judge</i>	<i>Jonathan Wehrmeister</i>
<i>Museum Director</i>	<i>Cynthia Lopez</i>
<i>Parks and Recreation Director</i>	<i>Brad Bentsen</i>
<i>Planning and Zoning Director</i>	<i>Jaime Acevedo</i>
<i>Police Chief</i>	<i>Robert Dominguez</i>
<i>Public Information Director</i>	<i>Roxanne Lerma Casares</i>
<i>Public Works Director</i>	<i>Roberto Salinas</i>
<i>Purchasing Director</i>	<i>Eduardo Belmarez</i>
<i>Risk Management Director</i>	<i>Robert Hinojosa</i>
<i>Solid Waste Director</i>	<i>Cesar Gutierrez</i>

OFFICIALS ISSUING REPORT

*Angie Vela
Finance Director*

*Took office on 06/18/2018

**CITY OF MISSION, TEXAS
ORGANIZATIONAL CHART**



FINANCIAL SECTION



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Pending Independent Auditors Reports

Management's Discussion and Analysis

As management of the City of Mission, we offer the readers of the City of Mission's financial statements this narrative overview and analysis of the financial activities of the City of Mission for the fiscal year ended September 30, 2018. We encourage readers to consider the information presented here in conjunction with the additional information that has been furnished in our letter of transmittal, which can be found on pages 3-7 of this report.

Financial Highlights

- The assets and deferred outflows of the City exceeded liabilities and deferred inflows at the close of the most recent fiscal year by \$169,397,222 (net position).
- The City's total net position decreased by \$1,381,573. Governmental activities contributed a decrease of \$1,096,866 while the Business-type activities contributed a decrease of \$284,707. Total revenues reflect a decrease of 5.08% and total expenses reflect an increase by 2.67% compared to prior year.
- As of the close of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$10,150,621 an \$8,888,532 decrease in comparison with the prior year.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was (\$477,002).

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Mission's basic financial statements. The City of Mission's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the City of Mission's finances, in a manner similar to a private-sector business.

The **Statement of Net Position** - presents information on all the City of Mission's assets, deferred outflows, liabilities and deferred inflows with the difference between the four reported as **net position**. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Mission is improving or deteriorating.

The **Statement of Activities** - presents information showing how the government's net position is reported as soon as the underlying event giving rise to the change occurs, regardless of the timing

of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the City of Mission that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Mission include: general government; public safety; highways and streets; health and welfare; culture and recreation; and economic development. The business-type activities of the City of Mission include: a utility system (water and sewer); a golf course operation; and a solid waste operation.

The government-wide financial statements include not only the City of Mission itself (known as the primary government), but also legally separate component units for which the City of Mission is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 31 to 33 of this report.

Fund financial statements -A *fund* is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City of Mission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City of Mission funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds -*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Mission maintains twenty-five (25) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Capital Projects Fund, which are considered major funds. Data of two additional funds is incorporated with the General Fund as a result of Governmental Accounting Standards Board (GASB) Statement No. 54. Data from the other nineteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major

governmental funds is provided in the form of ***combining statements*** starting on page 135 of this report.

The City of Mission adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 34-37 of this report.

Proprietary Funds - The City of Mission maintains two different types of proprietary funds.

Enterprise funds are used to report the same functions presented as ***business-type activities*** in the government-wide financial statements. The City of Mission uses enterprise funds to account for its water and sewer system, golf course operation, and solid waste operation.

Internal Service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Mission uses an internal service fund to account for health insurance premiums, medical claims, and health administrative fees. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer system, golf course operations, and solid waste operations, all of which are considered to be major funds of the City of Mission. Conversely, the internal service fund is a single presentation in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 39-43 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 44-45 of this report.

Notes to the financial statements - The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 46-109 of this report.

Other information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Mission's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 113-130 of this report.

The combining statements referred to earlier, in connection with non-major governmental funds, are presented immediately following the required supplementary information on pensions. The combining statements and individual fund schedules begin on page 135 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Mission, assets and deferred outflows exceeded liabilities and deferred inflows by \$169,397,222 at the close of the most recent fiscal year.

The following table summarizes the City's net position at September 30, 2018.

	City of Mission Net Position September 30, 2018					
	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 16,679,130	\$ 29,419,253	\$ 13,575,608	\$ 25,712,285	\$ 30,254,738	\$ 55,131,538
Capital assets	143,828,009	136,777,212	100,656,371	92,912,582	244,484,380	229,689,794
Total assets	<u>160,507,139</u>	<u>166,196,465</u>	<u>114,231,979</u>	<u>118,624,867</u>	<u>274,739,118</u>	<u>284,821,332</u>
Total deferred outflows of resources	4,645,265	2,734,980	1,304,295	965,216	5,949,560	3,700,196
Long-term liabilities	54,887,340	57,252,687	40,420,226	43,508,905	95,307,566	100,761,592
Other liabilities	4,806,157	7,907,723	6,764,331	7,841,618	11,570,488	15,749,341
Total liabilities	<u>59,693,497</u>	<u>65,160,410</u>	<u>47,184,557</u>	<u>51,350,523</u>	<u>106,878,054</u>	<u>116,510,933</u>
Total deferred inflows of resources	3,679,564	37,838	733,838	7,571	4,413,402	45,409
Net position						
Net investment in capital assets	106,676,410	102,466,220	63,237,664	52,564,331	169,914,074	155,030,551
Restricted	7,460,257	7,761,373	4,650,576	12,543,135	12,110,833	20,304,508
Unrestricted (deficit)	(12,357,324)	(3,781,146)	(270,361)	3,667,449	(12,627,685)	(113,697)
Total net position	<u>\$ 101,779,343</u>	<u>\$ 106,446,447</u>	<u>\$ 67,617,879</u>	<u>\$ 68,774,915</u>	<u>\$ 169,397,222</u>	<u>\$ 175,221,362</u>

By far the largest portion of the City's net position (99 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Mission uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City of Mission's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City's overall net position decreased \$5,824,140 from the prior fiscal year. The reasons for this overall decrease are discussed in the following sections for governmental activities and business-type activities.

Governmental Activities -During the current fiscal year, net position for governmental activities decreased \$4,667,104 from the prior fiscal year for an ending balance of \$101,779,343.

The city increased its net investment in capital assets by \$7,050,797. This fiscal year the city chose to invest in the beautification of the city by implementing a continuous plan of improvements of parks, city streets and city infrastructure. The city's goal is to enhance the quality of life for its citizens and encourage future development. These improvements will serve the current and future residents for years to come.

Analysis of Changes in Net Position

The following table summarizes the changes in the City's net position from its activities for the fiscal year ended September 30, 2018.

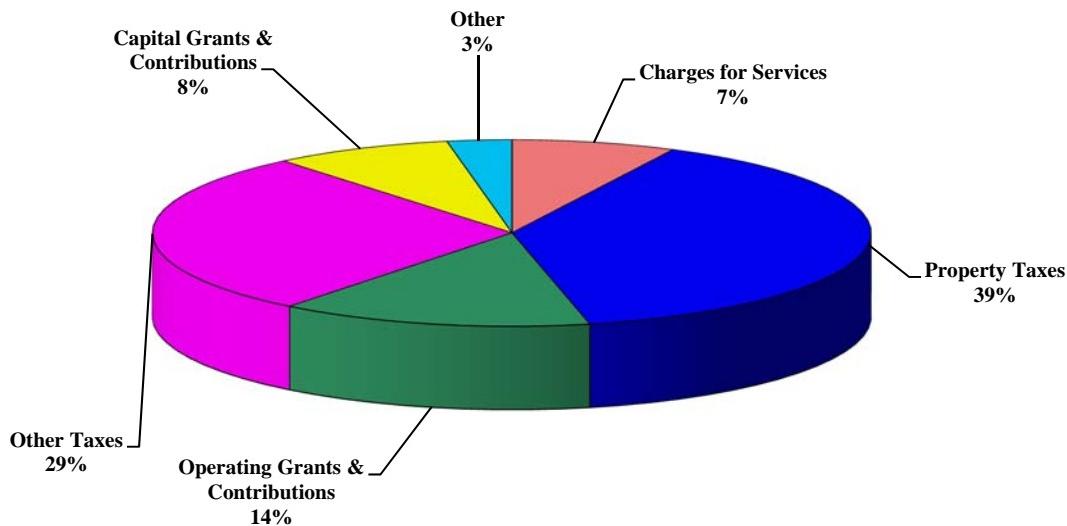
**City of Mission
Changes in Net Position
September 30, 2018**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 3,857,659	\$ 3,501,775	\$ 29,325,262	\$ 26,597,448	\$ 33,182,921	\$ 30,099,223
Operating grants and contributions	7,326,112	7,865,910	57,968	73,923	7,384,080	7,939,833
Capital grants and contributions	4,198,191	11,139,643	176,592	893,581	4,374,783	12,033,224
General revenues:						
Property taxes	20,404,015	20,369,113	-	-	20,404,015	20,369,113
Other taxes	14,835,666	14,390,544	-	-	14,835,666	14,390,544
Other	1,515,943	1,265,038	116,865	94,357	1,632,808	1,359,395
Total revenues	52,137,586	58,532,023	29,676,687	27,659,309	81,814,273	86,191,332
Expenses:						
General government	16,027,197	10,095,896	-	-	16,027,197	10,095,896
Public safety	23,876,784	23,685,949	-	-	23,876,784	23,685,949
Highways and streets	9,421,794	7,571,683	-	-	9,421,794	7,571,683
Economic development	5,619,556	5,309,186	-	-	5,619,556	5,309,186
Culture and recreation	2,057,199	7,837,590	-	-	2,057,199	7,837,590
Health and welfare	1,112,193	1,371,370	-	-	1,112,193	1,371,370
Interest on long-term debt	1,519,729	1,605,954	-	-	1,519,729	1,605,954
Utility system	-	-	16,506,827	17,031,578	16,506,827	17,031,578
Golf course operations	-	-	1,316,225	1,318,098	1,316,225	1,318,098
Solid waste operations	-	-	5,738,342	5,206,165	5,738,342	5,206,165
Total expenses	59,634,452	57,477,628	23,561,394	23,555,841	83,195,846	81,033,469
Increases/(decreases) in net position before transfers	(7,496,866)	1,054,395	6,115,293	4,103,468	(1,381,573)	5,157,863
Transfers	6,400,000	4,860,000	(6,400,000)	(4,860,000)	-	-
Changes in net position	(1,096,866)	5,914,395	(284,707)	(756,532)	(1,381,573)	5,157,863
Net position - 10/01/17	106,446,447	100,532,052	68,774,918	69,531,450	175,221,365	170,063,502
Prior Period Adjustment	(3,570,238)	-	(872,331)	-	(4,442,569)	-
Net position - 09/30/18	\$ 101,779,343	\$ 106,446,447	\$ 67,617,879	\$ 68,774,918	\$ 169,397,223	\$ 175,221,367

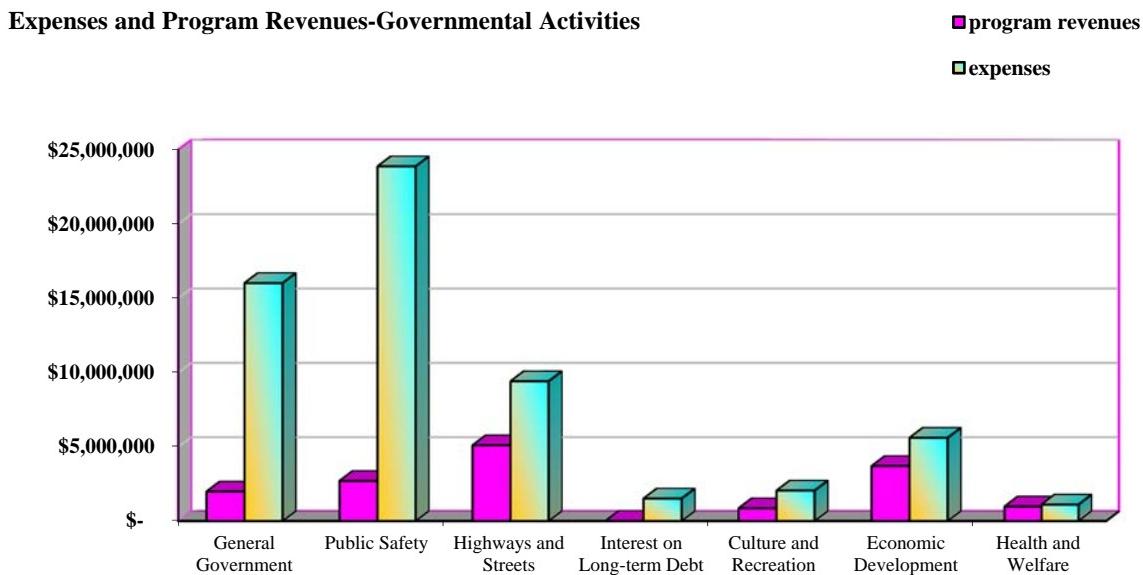
Total revenues generated from governmental activities for this year were \$52,137,586 reflecting a decrease of \$6,394,437 compared to last year.

- Capital grants and contributions decreased by \$6,941,452 from prior year while the operating grants and contributions decreased by \$539,798 compared to prior year.
- Other general revenue increased by \$250,905 compared to prior year.

Revenues by Source-Governmental Activities



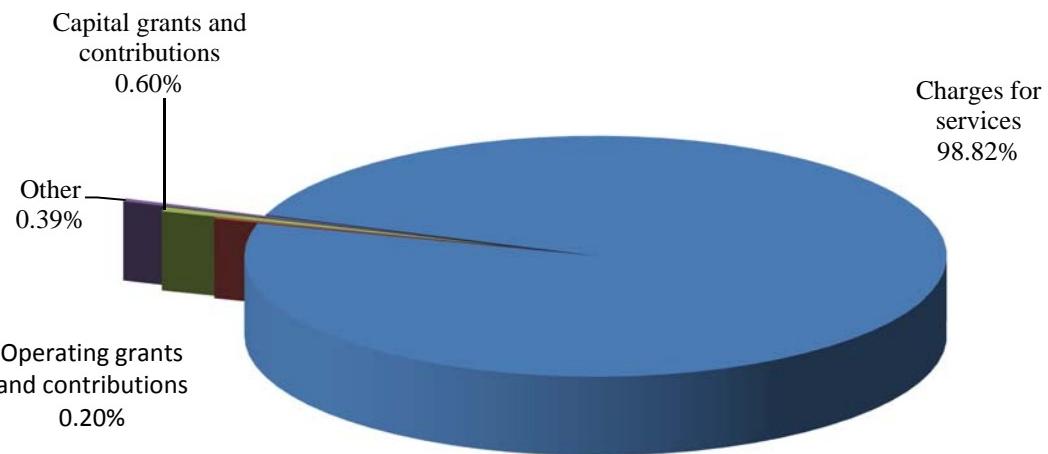
The following graph displays the portion of expenses funded by program revenues. Overall, general revenues funded approximately 61% of total expenses for fiscal year 2018.



Expenses for governmental activities of the City totaled \$59,634,452 for the year ended September 30, 2018, an increase of 3.7% compared to fiscal year 2017. The most significant changes occurred in the following areas:

- General Government Activities increased by \$5,931,301
- Culture and Recreation decreased by \$5,780,391
- Highways and streets increased by \$1,850,111

Revenues by Source-Business-type Activities

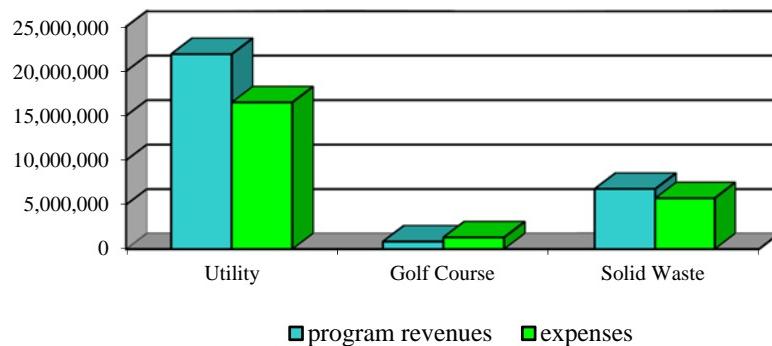


Business-type Activities- Results of Business-type activities decreased the City of Mission's net position by \$284,707. Revenues increased by 7.29% and expenses increased by \$5,553 in comparison with prior year.

- Charges for Services increased by 10.25% in comparison to the prior year due to favorable weather in comparison with previous years.
- Charges for Services are 98.82% of the source of revenues for the business-type activities.

The following graph displays the portion of expenses funded by program revenues.

Expenses and Program Revenues-Business-type Activities



- Expenses for business-type activities of the City totaled \$23,561,394 an increase of \$5,553 compared to prior year.

Financial Analysis of Government's Funds

As noted earlier, the City of Mission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the City of Mission governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Mission's financing requirements. In particular, unassigned fund balances may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to a particular purpose by either the City of Mission, an external party, a group or individual that has been delegated authority to assign resources to be used for particular purposes by the City of Mission City Council.

As of September 30, 2018, the City of Mission's governmental funds reported a combined fund balance of \$10,150,621, a decrease of \$8,888,532 compared with the prior year. A majority of the decrease, \$5,467,928 was from the 2016 CO capital projects fund that was used for the funding of the Mission Events Center which began construction in FY 2017-2018.

The General Fund is the main operating fund of the City of Mission. At the end of the current fiscal year, the total fund balance was \$3,307,617 a decrease of \$3,076,474 compared to prior year, with the unassigned portion of the fund balance being (\$477,002). As a measure of the General Fund's liquidity; it is useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures.

The Debt Service Fund, a major fund, had a \$324,436 decrease in fund balance during the current fiscal year. The decrease was due to a reduction of I&S property tax rate for FY17-18.

Other governmental funds decreased by \$5,487,622 in fund balance during the current fiscal year. The overall revenues for other governmental funds decreased by \$4,913,785 with the majority of the decrease in intergovernmental revenues, and the overall expenditures for other governmental funds decreased by \$14,510,299 with a majority of the decrease being related to the 2016 CO construction project being completed.

Revenues and Transfers-In

The following table presents a summary of General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds revenues and transfers-in for the fiscal years ended September 30, 2018 and 2017.

- Intergovernmental revenues decreased due to the completion of capital projects being reimbursed by other agencies.

Revenues & Transfers-In	2018 Amount	% of Total	2017 Amount	Amount of Increase (Decrease)		% Increase (Decrease)
Taxes	\$ 36,217,365	58.91%	\$ 35,674,656	\$ 542,709	1.52%	
Licenses and permits	528,545	0.86%	555,266	(26,721)	-4.81%	
Intergovernmental	10,672,035	17.36%	16,844,356	(6,172,321)	-36.64%	
Charges for services	1,273,238	2.07%	1,036,163	237,075	22.88%	
Fines and forfeitures	661,650	1.08%	832,596	(170,946)	-20.53%	
Investment income	117,412	0.19%	147,568	(30,156)	-20.44%	
Miscellaneous	1,753,927	2.85%	1,518,760	235,167	15.48%	
Transfers-in	<u>10,255,383</u>	<u>16.68%</u>	<u>9,002,594</u>	<u>1,252,789</u>	<u>13.92%</u>	
Total	<u>\$ 61,479,555</u>	<u>100.00%</u>	<u>\$ 65,611,959</u>	<u>\$ (4,132,404)</u>	<u>-6.30%</u>	

Expenditures and Transfers-Out

The following table presents a summary of General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds expenditures, transfers-out, and other financing uses for the fiscal years ended September 30, 2018 and 2017. Major differences are due to:

- General government expenditures increased due to the transition of services in our Fleet department and additional expenditures in Organizational department related to construction.
- Capital Projects expenditures decreased due to the completion of several projects in 2018.

Expenditures & Transfers-Out	2018 Amount	Percent of Total	2017 Amount	Amount of Increase (Decrease)		Percent of Increase (Decrease)
General government	\$ 10,992,563	15.44%	\$ 9,782,891	\$ 1,209,672	12.37%	
Public safety	22,883,344	32.15%	21,860,971	1,022,373	4.68%	
Highways and streets	7,201,117	10.12%	6,612,678	588,439	8.90%	
Health and welfare	562,204	0.79%	459,447	102,757	22.37%	
Culture and recreation	7,040,940	9.89%	6,676,409	364,531	5.46%	
Economic development	5,619,555	7.89%	5,309,187	310,368	5.85%	
Capital projects	8,782,432	12.34%	24,359,561	(15,577,129)	-63.95%	
Debt service:						
Principal	2,762,660	3.88%	2,986,003	(223,343)	-7.48%	
Interest and fiscal charges	1,480,270	2.08%	1,555,144	(74,874)	-4.81%	
Transfers-out	<u>3,855,384</u>	<u>5.42%</u>	<u>4,142,594</u>	<u>(287,210)</u>	<u>-6.93%</u>	
Total	<u>\$ 71,180,469</u>	<u>100.00%</u>	<u>\$ 83,744,885</u>	<u>\$ (12,564,416)</u>	<u>-15.00%</u>	

Proprietary Funds. The City of Mission's Proprietary Funds provide the same type of information found in the government-wide financial statements, but in more detail.

At the end of the year, total unrestricted net position amounted to \$(122,552). The Utility Fund and the Solid Waste Fund had unrestricted net position of \$(255,341) and \$2,516,275, respectively. The Golf Course Fund ended the year with a deficit in unrestricted net position of (\$2,383,486). The Utility Fund unrestricted net position decreased by \$1,165,520.

The Golf Course Fund borrowed working capital from the Utility Fund in order to meet its daily operational expenses during the current year. Golf Course operating revenues reflect a decrease of \$50,548 from prior year. Expenses decreased by \$12,508 or 0.98% in comparison to prior year. Management continues to closely monitor expenses and to promote the Golf Course not only in the surrounding communities but also nationwide through various advertisement sources including Twitter, Facebook, and Google Plus.

The Solid Waste Fund commenced residential collections at the end of fiscal year 2014 and completed its four year of operations as of September 30, 2018. Total change in net position reflected a negative amount of \$857,864. Revenues increased by \$129,791 and expenses increased by \$517,259 compared to prior year. The commercial collection service is outsourced for the next six months, at which time the City will also provide this service in-house.

General Fund Budgetary Highlights

During the year the City Council amends the budget as necessary. Generally, adjustments to the budget relate to requests not considered during the normal budgetary process. Original estimated revenues were increased by \$75,000 while budgeted appropriations were increased by \$518,630 during the year.

- The most significant revenue variance (\$2,268,417) is reflected in reimbursements from Hidalgo County and City of McAllen for Taylor Road which has been phased out into three phases, the third of which has been deferred until the start of construction.
- Taxes revenues reflect a decrease of \$197,424 due to a decrease in the M&O rate for property taxes.
- Charges for Service revenues reflect a positive net variance of \$62,822 compared to the budgeted amount.
- Miscellaneous revenues also reflected a positive variance of \$297,315. Due to their very nature, miscellaneous revenues are budgeted at a conservative level, since most of the revenues are normally considered one-time revenues.
- Expenditures came in under budget largely due to departments closely monitoring expenditures and staying in line with the budget. The most significant savings are reflected in Highways and Streets with a total of \$2,472,576, related to the Taylor Road Project that carryover into subsequent year. Public Safety and Culture and recreation had a savings of \$872,229 and \$633,557, respectively. These savings are both contributed to vacancies in personnel throughout the year.

Capital Asset and Debt Administration

Capital assets. The City of Mission's capital assets for its governmental and business type activities as of September 30, 2018, amounts to \$244,484,379 (net of accumulated depreciation). Investment in capital assets includes: land, buildings and improvements, machinery and equipment, streets, storm drainage, sanitary sewer system, and water system. The total increase in the City of Mission's investment in capital assets for the current fiscal year was \$15,794,591.

Major capital asset events during the current fiscal year included the following:

- Construction in progress in the governmental activities decreased by \$16,544,654. Some of the projects that were completed include the Mile 2 Conway to Moorefield road improvement, Perkins Avenue drainage, Kika De La Garza street improvement and Leo Placita park improvement. The completed project that contributed to the decrease in current year was the Mission Event Center, which started FY 2016-2017.
- Construction in progress in the business-type activities increased by \$9,740,820. Projects completed include the Bentsen Palm Lift Station, Madero Water Tower Rehabilitation and the South Water Plant sludge improvement.

The following table summarizes the City's total capital assets.

City of Mission Capital Assets Net of Depreciation							
	Governmental Activities		Business-type Activities		Total		2017
	2018	2017	2018	2017	2018	2017	
Land and water rights	\$ 38,612,979	\$ 37,659,281	\$ 7,529,142	\$ 7,529,142	\$ 46,142,121	\$ 45,188,423	
Buildings and system	26,616,717	11,569,979	65,644,242	66,278,164	92,260,959	77,848,143	
Improvements other than buildings	9,363,126	8,737,383	464,702	575,418	9,827,828	9,312,801	
Machinery and equipment	6,386,360	5,635,944	4,512,135	4,764,526	10,898,495	10,400,470	
Infrastructure	44,120,472	37,901,613	-	-	44,120,472	37,901,613	
Construction in progress	18,728,355	35,273,009	22,506,149	12,765,329	41,234,504	48,038,338	
Total	\$ 143,828,009	\$ 136,777,209	\$ 100,656,370	\$ 91,912,579	\$ 244,484,379	\$ 228,689,788	

Additional information on the City of Mission's capital assets can be found in note 6 on pages 66-68 of this report.

Long-term debt - At the end of the current fiscal year, the City of Mission had total outstanding long-term debt of \$95,307,566 a decrease of \$5,927,086 compared to prior year. Additional information on the City of Mission's long-term debt can be found in note 9 on pages 70-76 of this report.

Moody's Investors Service rated the City of Mission's outstanding bonds as "A3".

The following table summarizes the City's total long-term debt obligations.

	City of Mission Outstanding Debt						Total	
	Governmental Activities		Business-type Activities				Total	
	2018	2017	2018	2017	2018	2017		
General obligation debt	\$ 38,236,080	\$ 40,800,666	\$ -	\$ -	\$ 38,236,080	\$ 40,800,666		
Revenue bonds	-	-	37,764,412	40,996,805	37,764,412	40,996,805		
Capital leases	-	-	103,533	149,097	103,533	149,097		
Compensated absences	3,245,218	3,349,746	418,418	461,664	3,663,636	3,811,410		
City of McAllen-Anzalduas bridge	3,226,076	2,920,132	-	-	3,226,076	2,920,132		
Pension related debt	5,456,760	9,628,720	974,052	1,814,987	6,430,812	11,443,707		
OPEB related debt	4,723,206	885,657	1,159,811	227,178	5,883,017	1,112,835		
Total	<u>\$ 54,887,340</u>	<u>\$ 57,584,921</u>	<u>\$ 40,420,226</u>	<u>\$ 43,649,731</u>	<u>\$ 95,307,566</u>	<u>\$ 101,234,652</u>		

Economic Factors and Next Year's Budgets and Rates

- According to the November 2018 issue of the Texas Labor Market Information, the unemployment rate for the City of Mission was 5.8 percent, decreasing from 6.5 percent in prior year. The state and national average unemployment rates are 3.7 percent and 3.6 percent respectively.
- Appraised values provided by the Hidalgo County Appraisal District and used in preparing the 2018-2019 Budget were \$90.5 million higher than the prior year.
- The 2018-2019 Budget was prepared using an adopted tax rate of \$0.4862 per \$100 valuation.
- Water and sewer rates changed in the 2018-2019 Budget.
- The 2018-2019 general fund operating budget was prepared using \$367,818 as the estimated unrestricted fund balance at September 30, 2018. The actual unrestricted fund balance for the general fund was \$3,307,617. For the upcoming 2018-2019 fiscal year, \$100,943 is the projected unrestricted fund balance at September 30, 2019. Projected revenues reflect a 9.7% increase and expenditures also reflect an 8.3% decrease compared to FY 2018 original budget.
- The City is currently analyzing its current financial situation and will implement the necessary measures to maintain adequate levels of fund balance in the General fund to mitigate risks, provide a back-up plan for revenue shortfalls, and ensure that appropriate amounts are available for emergencies. The City's Fund Balance Policy requires that the general fund total unrestricted fund balance (includes unassigned, committed, and assigned) will be no less than two (2) months of operating expenditures. At the end of FY 2018, the general fund unrestricted fund balance did not meet this requirement.

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Capital leases	-	-	103,533	149,097	103,533	149,097		
Compensated absences	3,245,218	3,349,746	418,418	461,664	3,663,636	3,811,410		
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Requests for Information

This financial report is designed to provide a general overview of the City of Mission's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 1201 East 8th Street, City of Mission, Texas, 78572.



Randy Perez
City Manager



Angie Vela
Finance Director



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BASIC FINANCIAL STATEMENTS



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CITY OF MISSION, TEXAS
STATEMENT OF NET POSITION

SEPTEMBER 30, 2018

EXHIBIT A-1

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	MEDC	MRA
ASSETS					
Cash and cash equivalents	\$ 670,600	\$ 4,250	\$ 674,850	\$ 145,936	\$ 7,896,976
Investments	4,387,969	3,274,388	7,662,357	-	5,070,528
Receivables, net	6,585,693	3,559,663	10,145,356	721,877	16,130
Internal balances	2,735,855	(2,735,855)	-	-	-
Due from primary government	-	-	-	8,269	-
Due from component unit	1,393,939	394,537	1,788,476	6,500	62,768
Inventory	39,762	231,213	270,975	-	-
Land held for resale	558,767	-	558,767	-	-
Prepaid items	288,945	73,767	362,712	6,224	166,341
Redevelopment assets	-	-	-	-	2,769,634
Notes receivable current	2,400	-	2,400	-	-
Long-term receivable	15,200	-	15,200	-	-
Restricted assets	-	8,773,645	8,773,645	360,562	-
Capital assets:			-	-	-
Land, water rights, and construction in progress	57,341,334	30,035,292	87,376,626	5,523,909	-
Other capital assets, net of accumulated depreciation	86,486,675	70,621,079	157,107,754	9,877,742	-
Total Assets	160,507,139	114,231,979	274,739,118	16,651,019	15,982,377
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge related to loss on refunding	452,883	507,595	960,478	-	-
Deferred outflow related to pensions	4,015,778	754,611	4,770,389	-	-
Deferred outflows related to OPEB plans	176,604	42,089	218,693	-	-
Total deferred outflow of resources	4,645,265	1,304,295	5,949,560	-	-
LIABILITIES					
Accounts payable	1,789,849	1,008,368	2,798,217	52,726	6,611
Customer deposits	-	2,436,374	2,436,374	-	-
Accrued interest payable	194,653	109,311	303,964	64,526	70,086
Other liabilities	1,936,708	141,837	2,078,545	6,560	-
Subdividers deposits	-	1,861,159	1,861,159	-	-
Retainage payable	75,375	1,092,248	1,167,623	-	-
Accrued payroll	316,867	83,104	399,971	10,565	-
Due to primary government	-	-	-	1,387,801	-
Due to component unit	71,037	-	71,037	-	400,675
Unearned revenues	421,668	31,930	453,598	965	-
Non-current liabilities:			-	-	-
Due in more than one year	50,340,887	36,877,585	87,218,472	15,955,780	21,494,640
Due within one year	4,546,453	3,542,641	8,089,094	1,202,198	2,096,045
Total Liabilities	59,693,497	47,184,557	106,878,054	18,681,121	24,068,057
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	3,679,564	733,838	4,413,402	-	-
Total deferred inflows of resources	3,679,564	733,838	4,413,402	-	-
NET POSITION					
Net investment in capital assets	106,676,410	63,237,664	169,914,074	598,492	-
Restricted for:					
Debt Service	1,617,563	1,564,473	3,182,036	272,060	3,035,547
Construction	-	3,086,103	3,086,103	23,976	-
Capital Improvements	2,509,764	-	2,509,764	-	-
Federal and other awards	357,076	-	357,076	-	-
Tourism	799,252	-	799,252	-	-
Municipal court	433,608	-	433,608	-	-
MEDA	1,665,637	-	1,665,637	-	-
Other purposes	77,357	-	77,357	-	-
Unrestricted	(12,357,324)	(270,361)	(12,627,685)	(2,924,630)	(11,121,227)
Total Net Position	\$ 101,779,343	\$ 67,617,879	\$ 169,397,222	\$ (2,030,102)	\$ (8,085,680)

CITY OF MISSION, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	\$ 16,027,197	\$ 1,991,318	\$ -	\$ -
Public safety	23,876,784	67,321	2,113,642	530,182
Highways and streets	9,421,794	943,562	533,428	3,637,398
Health and welfare	1,112,193	298,306	684,936	-
Culture and recreation	2,057,199	557,152	272,266	30,611
Economic development	5,619,556	-	3,711,868	-
Interest and fiscal charges on long-term debt	1,519,729	-	9,972	-
Total Governmental Activities	<u>59,634,452</u>	<u>3,857,659</u>	<u>7,326,112</u>	<u>4,198,191</u>
Business-type activities:				
Utility	16,506,827	21,693,229	57,968	176,592
Golf Course	1,316,225	848,699	-	-
Solid Waste	5,738,342	6,783,334	-	-
Total Business-type Activities	<u>23,561,394</u>	<u>29,325,262</u>	<u>57,968</u>	<u>176,592</u>
Total Primary Government	<u>\$ 83,195,846</u>	<u>\$ 33,182,921</u>	<u>\$ 7,384,080</u>	<u>\$ 4,374,783</u>
COMPONENT UNITS:				
Mission Economic Development Corporation	\$ 5,806,956	\$ 286,009	\$ 478,477	\$ -
Mission Redevelopment Authority	6,627,862	-	-	-
Total Component Units	<u>\$ 12,434,818</u>	<u>\$ 286,009</u>	<u>\$ 478,477</u>	<u>\$ -</u>
General revenues:				
Property taxes				
Sales taxes				
Franchise taxes				
Hotel/motel taxes				
Alcoholic beverage taxes				
Shared revenue-tax increment zone				
Interest earned				
Miscellaneous				
Transfers				
Total General Revenues				
Change in Net Position				
Net Position - Beginning				
Prior Period Adjustment				
Adjusted Net Postion-Beginning of Year				
Net Position - Ending				

The notes to the financial statements are an integral part of this statement.

EXHIBIT A-2

**Net (Expenses) Revenues and
Changes in Net Assets**

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	MEDC	MRA
\$ (14,035,879)	\$ -	\$ (14,035,879)		
(21,165,639)	-	(21,165,639)		
(4,307,406)	-	(4,307,406)		
(128,951)	-	(128,951)		
(1,197,170)	-	(1,197,170)		
(1,907,688)	-	(1,907,688)		
(1,509,757)	-	(1,509,757)		
<u>(44,252,490)</u>	<u>-</u>	<u>(44,252,490)</u>		
-	5,420,963	5,420,963		
-	(467,526)	(467,526)		
-	1,044,992	1,044,992		
-	<u>5,998,429</u>	<u>5,998,429</u>		
<u>\$ (44,252,490)</u>	<u>\$ 5,998,429</u>	<u>\$ (38,254,061)</u>		
			\$ (5,042,470)	\$ -
			<u>\$ (5,042,470)</u>	<u>\$ (6,627,862)</u>
20,404,015	-	20,404,015	-	-
11,591,778	-	11,591,778	3,863,926	-
2,807,323	-	2,807,323	-	-
412,047	-	412,047	-	-
24,518	-	24,518	-	-
762,620	-	762,620	-	5,252,390
110,039	74,683	184,722	8,196	56,978
643,284	42,181	685,465	41,931	-
<u>6,400,000</u>	<u>(6,400,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>43,155,624</u>	<u>(6,283,136)</u>	<u>36,872,488</u>	<u>3,914,053</u>	<u>5,309,368</u>
(1,096,866)	(284,707)	(1,381,573)	(1,128,417)	(1,318,494)
106,446,447	68,774,918	175,221,365	(901,685)	(6,767,186)
(3,570,238)	(872,331)	(4,442,569)	-	-
<u>102,876,209</u>	<u>67,902,587</u>	<u>170,778,796</u>	<u>(901,685)</u>	<u>(6,767,186)</u>
<u>\$ 101,779,343</u>	<u>\$ 67,617,879</u>	<u>\$ 169,397,223</u>	<u>\$ (2,030,102)</u>	<u>\$ (8,085,680)</u>

CITY OF MISSION, TEXAS**BALANCE SHEET-GOVERNMENTAL FUNDS****SEPTEMBER 30, 2018**

	General Fund	Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 4,409	\$ -	\$ 563,132	\$ 567,541
Investments	1,147,622	596,788	2,148,249	3,892,659
Prepaid items	23,025	-	2,000	25,025
Receivables:				-
Taxes, including interest and penalties	1,850,331	469,532	-	2,319,863
Accounts	1,776,930	-	417,919	2,194,849
Special assessments	-	-	144,657	144,657
Less: allowance for uncollectibles	(1,880,282)	(148,082)	(883)	(2,029,247)
Due from other governments	2,464,282	-	1,484,361	3,948,643
Due from other funds	6,146,465	366,137	2,822,600	9,335,202
Due from component unit	1,385,387	-	3,000	1,388,387
Long-term receivable	15,200	-	-	15,200
Inventory	33,552	-	6,210	39,762
Land held for resale	-	-	558,767	558,767
Total Assets	\$ 12,966,921	\$ 1,284,375	\$ 8,150,012	\$ 22,401,308
LIABILITIES				
Accounts payable	\$ 1,173,090	\$ -	\$ 282,895	\$ 1,455,985
Accrued interest payable	-	8,356	-	8,356
Other liabilities	1,909,201	-	20,695	1,929,896
Retainage payable	-	-	75,375	75,375
Accrued payroll	305,048	-	11,820	316,868
Due to other funds	5,238,170	-	1,403,555	6,641,725
Due to component unit	8,269	-	62,768	71,037
Unearned revenue	2,863	-	418,805	421,668
Total Liabilities	\$ 8,636,641	\$ 8,356	\$ 2,275,913	\$ 10,920,910
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	1,022,665	307,113	-	1,329,778
Total deferred inflows of resources	\$ 1,022,665	\$ 307,113	\$ -	\$ 1,329,778
FUND BALANCES:				
Nonspendable	74,177	-	566,977	641,154
Restricted	-	968,905	5,307,122	6,276,027
Committed	-	-	-	-
Assigned	3,710,442	-	-	3,710,442
Unassigned	(477,002)	-	-	(477,002)
Total Fund Balances	\$ 3,307,617	\$ 968,905	\$ 5,874,099	\$ 10,150,621
Total Liabilities and Fund Balances	\$ 12,966,923	\$ 1,284,374	\$ 8,150,012	\$ 22,401,309

The accompanying notes are an intergral part of this statement.

CITY OF MISSION, TEXAS

*RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2018*

EXHIBIT A-4

Total fund balances - governmental funds balance sheet	\$ 10,150,620
Amounts reported for governmental activities in the statement of net position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	143,828,009
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	1,329,778
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	314,951
Payables for bond principal which are not due in the current period are not reported in the funds.	(34,002,489)
Payables for capital lease which are not due in the current period are not reported in the funds.	(455,246)
Payable for bond interest which are not due in the current period are not reported in the funds.	(186,296)
Payables for long term liability not due in the current period and not reported in the funds.	(3,226,074)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(3,245,218)
Payables for net pension liability which are not due in the current period are not reported in the funds.	(5,456,760)
Payables for post employment benefit obligations which are not due in the current period are not reported in the funds.	(4,723,207)
Unamortized deferred inflows related to pensions are not reported in the funds.	(3,679,564)
Unamortized pension unavailabe for current-period expenditures and are deferred in the SNP.	4,192,380
Unamortized pre-paid bond insurance unavailable for current-period expenditures and are in the SNP.	263,920
Unamortized bond deferred charge on refunding unavailable for current-period expenditures and are deferred in the SNP.	452,883
Unamortized premium unavailable for current-period expenditures and are in the SNP.	<u>(3,778,344)</u>
Net position of governmental activities - statement of net position	<u>\$ 101,779,343</u>

The accompanying notes are an integral part of this statement.

CITY OF MISSION, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT A-5

	General Fund	Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Taxes and special assessments	\$ 31,480,076	\$ 3,381,680	\$ 1,355,609	\$ 36,217,365
Licenses and permits	528,545	-	-	528,545
Intergovernmental	2,050,403	-	8,621,632	10,672,035
Charges for services	1,047,394	-	225,844	1,273,238
Fines	661,650	-	-	661,650
Interest	65,086	9,563	42,763	117,412
Miscellaneous	1,627,925	-	126,002	1,753,927
Total revenues	37,461,079	3,391,243	10,371,850	51,224,172
EXPENDITURES				
Current:				
General government	10,287,752	-	704,811	10,992,563
Public safety	21,290,406	-	1,592,938	22,883,344
Highways and streets	5,854,745	-	1,346,372	7,201,117
Health and welfare	509,704	-	52,500	562,204
Culture and recreation	6,071,552	-	969,388	7,040,940
Economic development	-	-	5,619,555	5,619,555
Capital projects	-	-	8,782,432	8,782,432
Debt service:				
Principal	127,660	2,635,000	-	2,762,660
Interest and fiscal charges	20,032	1,460,238	-	1,480,270
Total expenditures	44,161,851	4,095,238	19,067,996	67,325,085
Excess (Deficiency) of Revenue over Expenditures	(6,700,772)	(703,995)	(8,696,146)	(16,100,913)
OTHER FINANCING SOURCES (USES)				
Capital leases	530,306	-	-	530,306
Proceeds from sale of assets	1,074	-	281,002	282,076
Transfers in	6,400,000	800,106	3,055,277	10,255,383
Transfers out	(3,307,082)	(420,548)	(127,754)	(3,855,384)
Total Other Financing Sources (uses)	3,624,298	379,558	3,208,525	7,212,381
Net change in fund balances	(3,076,474)	(324,437)	(5,487,621)	(8,888,532)
Fund balances at beginning of year	6,384,091	1,293,342	11,361,720	19,039,153
Fund balances at end of year	\$ 3,307,617	\$ 968,905	\$ 5,874,099	\$ 10,150,621

The accompanying notes are an integral part of this statement.

CITY OF MISSION, TEXAS**EXHIBIT A-6**

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2018*

Net change in fund balances - total governmental funds	\$ (8,888,532)
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA	14,071,439
The depreciation of capital assets used in governmental activities is not reported in the funds.	(7,285,300)
The gain or loss on the sale of capital assets is not reported in the funds.	(20,872)
Donation of capital assets increase net position in the SOA but not in the funds.	285,531
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(34,123)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	2,687,580
Repayment of capital lease is an expenditure in the funds but is not an expense in the SOA.	75,080
Pension expense for current period	(402,715)
Other post employment benefit expense for current period	(89,106)
Long term payable is not an expenditure in the funds but is an expense in the SOA.	(307,546)
Other financing sources are reflected in the funds but not in the SOA.	(530,306)
Bond pre-paid insurance costs and similar items are amortized in the SOA but not in the funds.	261,775
(Increase) decrease in accrued interest from beginning of period to end of period.	4,710
The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.	(1,029,009)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	104,528
Change in net position of governmental activities - statement of activities	\$ (1,096,866)

The accompanying notes are an integral part of this statement.



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CITY OF MISSION, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2018

EXHIBIT A-7

	Business-type Activities Enterprise Fund				Internal Service Fund	
	Utility Fund	Golf Course Fund	Solid Waste Fund	Total	Group Health Employee Plan Fund	
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 3,600	\$ 650	\$ -	\$ 4,250	\$ 103,059	
Investments	2,032,327	-	1,242,061	3,274,388	495,311	
Restricted assets:					-	
Cash and cash equivalents	5,480,438	-	82,402	5,562,840	-	
Investments	2,714,500	-	496,304	3,210,804	-	
Prepaid items	67,650	6,118	-	73,768	-	
Receivables	2,694,611	5,200	1,054,623	3,754,434	9,326	
Less: allowance for uncollectibles	(151,136)	-	(43,637)	(194,773)	-	
Due from other funds	477	19,089	1,552,861	1,572,427	569,631	
Due from component unit	394,537	-	-	394,537	5,552	
Inventories (at cost)	179,288	51,925	-	231,213	-	
Total Current Assets	<u>13,416,292</u>	<u>82,982</u>	<u>4,384,614</u>	<u>17,883,888</u>	<u>1,182,879</u>	
Noncurrent Assets:						
Advance of funds receivable	1,993,726	-	-	1,993,726	-	
Capital assets:						
Land, water rights, and construction in progress	28,287,240	1,748,052	-	30,035,292	-	
Other capital assets, net of accumulated depreciation	<u>65,490,216</u>	<u>2,084,442</u>	<u>3,046,422</u>	<u>70,621,080</u>	<u>-</u>	
Total Noncurrent Assets	<u>95,771,182</u>	<u>3,832,494</u>	<u>3,046,422</u>	<u>102,650,098</u>	<u>-</u>	
Total Assets	<u>\$ 109,187,474</u>	<u>\$ 3,915,476</u>	<u>\$ 7,431,036</u>	<u>\$ 120,533,986</u>	<u>\$ 1,182,879</u>	
DEFERRED OUTFLOWS OF RESOURCES						
Deferred bond charges	1,129,841	99,566	74,889	1,304,296	-	
Total deferred outflows of resources	<u>1,129,841</u>	<u>99,566</u>	<u>74,889</u>	<u>1,304,296</u>	<u>-</u>	
LIABILITIES						
Current Liabilities:						
Account payable	\$ 673,545	\$ 27,858	\$ 306,964	\$ 1,008,367	\$ 189,598	
Claims payable	-	-	-	-	143,867	
Accrued payroll	60,257	7,457	15,390	83,104	-	
Compensated absences payable	153,551	34,422	15,323	203,296	-	
Due to other funds	4,125,480	15,941	9,384	4,150,805	691,541	
Unearned revenue	-	31,930	-	31,930	-	
Accrued interest	101,650	250	7,410	109,310	-	
Other liabilities	29,282	31,523	81,032	141,837	400	
Subdividers deposits	1,861,159	-	-	1,861,159	-	
Retainage payable	1,092,248	-	-	1,092,248	-	
Customer deposits	2,436,374	-	-	2,436,374	-	
Current portion of long-term debt	2,507,394	46,950	785,000	3,339,344	-	
Total Current Liabilities	<u>13,040,940</u>	<u>196,331</u>	<u>1,220,503</u>	<u>14,457,774</u>	<u>1,025,406</u>	
Other Non-Current Liabilities:						
Long term compensated absences	170,363	38,957	5,802	215,122	-	
Capital lease payable	-	56,585	-	56,585	-	
Advance of funds payable	-	1,993,726	-	1,993,726	-	
Other post employment benefit obligations	1,739,856	286,514	107,491	2,133,861	-	
Public Property Finance Contractual Obligations payable, net of current portion	-	-	1,615,000	1,615,000	-	
Revenue bonds, net of current portion, discount, and deferred amount on refunding	32,857,017	-	-	32,857,017	-	
Total Other Non-Current Liabilities	<u>34,767,236</u>	<u>2,375,782</u>	<u>1,728,293</u>	<u>38,871,311</u>	<u>-</u>	
Total Liabilities	<u>47,808,176</u>	<u>2,572,113</u>	<u>2,948,796</u>	<u>53,329,085</u>	<u>1,025,406</u>	
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	515,364	78,166	140,308	733,838	-	
Total deferred outflows of resources	<u>515,364</u>	<u>78,166</u>	<u>140,308</u>	<u>733,838</u>	<u>-</u>	
NET POSITION						
Net investment in capital assets	58,865,434	3,725,808	646,422	63,237,664	-	
Restricted for:						
Debt service	1,489,481	-	74,992	1,564,473	-	
Construction	1,614,425	-	-	1,614,425	-	
Capital Projects	279,773	22,440	1,169,465	1,471,678	-	
Unrestricted	(255,341)	(2,383,486)	2,525,942	(112,885)	157,473	
Total Net Position	<u>\$ 61,993,772</u>	<u>\$ 1,364,762</u>	<u>\$ 4,416,821</u>	<u>\$ 67,775,355</u>	<u>\$ 157,473</u>	

Adjustment to reflect consolidation of internal service fund activities related to enterprise funds. (157,477)

Net Position of Business-type Activities \$ 67,617,879

The notes to the financial statements are an integral part of this statement.

CITY OF MISSION, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES

IN FUND NET POSITION - PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Business-type Activities	Enterprise Fund
	Golf	Course
	Utility	Fund
Operating Revenues:		
Charges for services	\$ 21,729,615	\$ 851,218
Operating Expenses:		
Insurance claim drafts	-	-
Health insurance cost	-	-
Utility administration	984,406	-
Water distribution	2,445,822	-
Water treatment	1,774,136	-
Wastewater treatment and collection	1,727,232	-
Industrial pretreatment	232,210	-
Utility collection	508,211	-
Organizational expenses	375,244	-
Meter readers	428,166	-
Northside water treatment plant	2,048,771	-
Depreciation	5,124,921	230,759
Cost of sales	-	108,302
Golf course operation	-	930,115
Solid waste disposal	-	-
Total Operating Expenses	<u>15,649,119</u>	<u>1,269,176</u>
Operating income (loss)	<u>6,080,496</u>	<u>(417,958)</u>
Non operating revenues (expenses)		
Gain (Loss) on disposal of capital assets	25	-
Interest earned	99,147	33
Bond interest expense	(588,497)	-
Bond fiscal charges	(3,850)	-
Other interest expense	-	(3,740)
Total non-operating revenues (expenses)	<u>(493,175)</u>	<u>(3,707)</u>
Net Income (loss) before transfers and capital contributions	<u>5,587,321</u>	<u>(421,665)</u>
Transfers In (Out)	(4,400,000)	-
Capital Contributions	<u>176,592</u>	<u>-</u>
Change in Net Position	1,363,913	(421,665)
Net Position-Beginning of Year	61,315,538	1,902,540
Prior Period Adjustment	(685,679)	(116,113)
Adjusted Net Postion-Beginning of Year	<u>60,629,859</u>	<u>1,786,427</u>
Net Position-End of Year	<u>\$ 61,993,772</u>	<u>\$ 1,364,762</u>

The notes to the financial statements are an integral part of this statement.

Business-type Activities Enterprise Fund		Internal Service Fund
Solid Waste Fund	Total	Group Health Employee Plan Fund
\$ 6,786,586	\$ 29,367,419	\$ 4,127,202
-	-	4,506,661
-	-	1,032,574
-	984,406	-
-	2,445,822	-
-	1,774,136	-
-	1,727,232	-
-	232,210	-
-	508,211	-
-	375,244	-
-	428,166	-
-	2,048,771	-
435,742	5,791,422	-
-	108,302	-
-	930,115	-
5,189,798	5,189,798	-
5,625,540	22,543,835	5,539,235
1,161,046	6,823,584	(1,412,033)
-	25	-
33,470	132,650	13,932
(52,080)	(640,577)	-
(300)	(4,150)	-
-	(3,740)	-
(18,910)	(515,792)	13,932
1,142,136	6,307,792	(1,398,101)
(2,000,000)	(6,400,000)	-
-	176,592	-
(857,864)	84,384	(1,398,101)
5,345,224		1,555,574
(70,539)		-
5,274,685		1,555,574
\$ 4,416,821		\$ 157,473

Some amounts reported for business-type activities in the statement of activities (EXHIBIT A-2) are different because the net revenue (expense) of the internal service fund is reported with business-type activities.

Change in net position of business-type activities (369,091)

\$ (284,707)



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CITY OF MISSION, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT A-9

	Utility Fund	Golf Course Fund	Solid Waste Fund	Totals	Internal Service Fund
					Group Health
Cash Flows from Operating Activities:					
<i>Cash Received from Customers</i>	\$ 21,715,804	\$ 860,561	\$ 7,699,084	\$ 30,275,449	\$ -
<i>Cash Received from Interfund Services Used</i>	-	-	-	-	4,783,104
<i>Cash Payments from Interfund Services Used</i>	-	-	-	-	(5,708,924)
<i>Cash Payments to Employees for Services</i>	(3,960,884)	(692,367)	(1,224,808)	(5,878,059)	-
<i>Cash Payments to Other Suppliers for Goods and Services</i>	(8,561,525)	(123,649)	(4,026,326)	(12,711,500)	-
Net Cash Provided (Used) by Operating Activities	<u>9,193,395</u>	<u>44,545</u>	<u>2,447,950</u>	<u>11,685,890</u>	<u>(925,820)</u>
Cash Flows from Non-Capital Financing Activities:					
<i>Transfers From (To) Other Funds</i>	(4,400,000)	(19,089)	(2,000,000)	(6,419,089)	-
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(4,400,000)</u>	<u>(19,089)</u>	<u>(2,000,000)</u>	<u>(6,419,089)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:					
<i>Proceed from Sale of Capital Assets</i>	25	-	-	25	-
<i>Principal and Interest Paid</i>	(2,917,347)	(53,421)	(822,380)	(3,793,148)	-
<i>Acquisition or Construction of Capital Assets</i>	(15,032,334)	(3,411)	(622,482)	(15,658,227)	-
<i>Proceed from Issuance of Long-Term Debt</i>	-	-	-	-	-
<i>Proceed from Capital Grants</i>	1,327,988	-	-	1,327,988	-
<i>Contributed Capital</i>	176,592	-	-	176,592	-
Net Cash Provided (Used) for Capital & Related Financing Activities	<u>(16,445,076)</u>	<u>(56,832)</u>	<u>(1,444,862)</u>	<u>(17,946,770)</u>	<u>-</u>
Cash Flows from Investing Activities:					
<i>Purchase of Investment Securities</i>	(2,874,870)	-	(998,569)	(3,873,439)	(493,310)
<i>Proceeds from Sale and Maturities of Securities</i>	9,871,066	-	1,430,891	11,301,957	1,502,717
<i>Interest on Investments</i>	99,147	33	33,470	132,650	14,518
Net Cash Provided (Used) for Investing Activities	<u>7,095,343</u>	<u>33</u>	<u>465,792</u>	<u>7,561,168</u>	<u>1,023,926</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(4,556,338)	(31,343)	(531,119)	(5,118,800)	98,106
Cash and Cash Equivalents at Beginning of Year	10,040,376	31,993	613,521	10,685,890	4,953
Cash and Cash Equivalents at End of Year	<u>\$ 5,484,038</u>	<u>\$ 650</u>	<u>\$ 82,402</u>	<u>\$ 5,567,090</u>	<u>\$ 103,059</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:					
Operating Income (Loss)	\$ 6,080,496	\$ (417,959)	\$ 1,161,046	\$ 6,823,583	\$ (1,412,033)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:					
<i>Depreciation</i>	5,124,921	230,759	435,742	5,791,422	-
Change in Assets and Liabilities:					
<i>Decrease (Increase) in Receivables</i>	215,477	978	(34,642)	181,813	178,553
<i>Decrease (Increase) in Inventories</i>	(21,841)	3,971	-	(17,870)	-
<i>Decrease (Increase) in Prepaid Expenses</i>	10,100	80	-	10,180	-
<i>Decrease (Increase) in Due from Other Funds</i>	(232,159)	(19,089)	947,139	695,891	(211,567)
<i>Decrease (Increase) in Due from Other Governments</i>	(394,537)	-	-	(394,537)	-
<i>Increase (Decrease) in Accounts Payable</i>	(618,464)	1,242	(84,336)	(701,558)	-
<i>Increase (Decrease) in Customer Deposits</i>	61,553	-	-	61,553	-
<i>Increase (Decrease) in Accrued Wages Payable</i>	(575)	(663)	-	(1,238)	-
<i>Increase (Decrease) in Due to Other Funds</i>	(1,355,426)	238,670	8,918	(1,107,838)	688,916
<i>Increase (Decrease) in Other Liabilities</i>	630,234	34,030	14,083	678,347	(169,689)
<i>Increase (Decrease) in Subdividers Deposits Payable</i>	(290,842)	-	-	(290,842)	-
<i>Increase (Decrease) in Compensated Absences Payable</i>	(15,542)	(35,839)	-	(51,381)	-
<i>Increase (Decrease) in Unearned Revenue</i>	-	8,365	-	8,365	-
Total Adjustments	<u>3,112,899</u>	<u>462,504</u>	<u>1,286,904</u>	<u>4,862,307</u>	<u>486,213</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 9,193,395</u>	<u>\$ 44,545</u>	<u>\$ 2,447,950</u>	<u>\$ 11,685,890</u>	<u>\$ (925,820)</u>
Noncash Investing, Capital and Financing Activities:					
Increase (decrease) in fair value investments	\$ (9,127)	\$ -	\$ (2,998)	\$ (12,125)	\$ -
Total Noncash Investing, Capital and Financing Activities	<u>\$ (9,127)</u>	<u>\$ -</u>	<u>\$ (2,998)</u>	<u>\$ (12,125)</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

CITY OF MISSION, TEXAS*STATEMENT OF FIDUCIARY NET POSITION**FIDUCIARY FUNDS**SEPTEMBER 30, 2018*

	Private-purpose Trust Fund
	<u>Speer Library</u>
	<u>Breyfogle</u>
ASSETS	
Cash and cash equivalents	\$ -
Investments	-
Accrued interest receivable	-
Due from other funds	<u>6,812</u>
 Total Assets	<u>\$ 6,812</u>
LIABILITIES	
Total Liabilities	<u>-</u>
NET POSITION	
Held in trust for scholarships and books	\$ 6,812
Total Net Position	<u>\$ 6,812</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-11

CITY OF MISSION, TEXAS

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Private-purpose
Trust
Fund

Speer Library
Breyfogle

Additions:

Investment income	\$ _____	-
Total Additions		-

Deductions:

Scholarship awards -
Miscellaneous -
Total Deductions -

Change in Net Position

Net Position-Beginning of the Year	6,812
Net Position-End of the Year	\$ 6,812

The accompanying notes are an integral part of this statement.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Mission, Texas, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. *Reporting Entity*

The City of Mission is a municipal corporation governed by an elected mayor and a four member Council. The accompanying financial statements of the reporting entity include those of the City of Mission (the primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the City.

Blended Component Units

The Mission Economic Development Authority (MEDA) was originally organized to provide development activities that could not be carried out by the Mission Economic Development Corporation. City of Mission management has operational and fiscal responsibility for this component unit. The Board now consists of 5 members, 4 of whom are Board Members of the MEDC. All Economic Development Activity on behalf of the City was reassigned by City Resolution to Mission Economic Development Corporation. MEDA holds an investment in several lots of land in the Mission Industrial Park which are available for sale. MEDA is presented as a Blended Component Unit - Special Revenue Fund of the City as MEDA's current limited activity exclusively benefits the City.

Discretely Presented Component Units

On September 12, 1994 the Mission Economic Development Corporation (MEDC) was issued a Certificate of Incorporation by the State of Texas as a nonprofit corporation under the Development Corporation Act of 1979 Vernon's Ann Civ. St. Art. 5190.6, as amended by adding Sec. 413. The Mission Economic Development Corporation (MEDC) was organized on behalf of the City of Mission, Texas for the specific public purpose of the promotion and development of commercial, industrial and manufacturing enterprises to promote and encourage employment and the public welfare. MEDC is governed by a seven member board of directors, each of whom is appointed by the City Council. Any director may be removed from office by the City Council for cause or at will. MEDC's primary source of revenues is sales tax revenues generated by the City of Mission. In addition, the City approves the programs and expenditures of MEDC and must approve amendments to MEDC's bylaws and Articles of Incorporation. MEDC is presented as a governmental fund type and has a September 30 year end.

Complete financial statements for the above component unit may be obtained at its administrative office at:

Mission Economic Development Corporation
1201 E. 8th St.
Mission, Texas 78572

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

A. Reporting Entity (*Continued*)

The City of Mission, Texas (the “City”) authorized the creation of the Mission Redevelopment Authority (the “Authority”) by the Resolution No. 1021 passed on November 26, 2001. The Authority was created and organized as a local government corporation pursuant to provisions of Subchapter D of Chapter 431 of the Texas Transportation Code and Chapter 394 of the Texas Local Government Code. The Authority is organized as a public non-profit corporation for the purpose of aiding, assisting, and acting on behalf of the City in the performance of its governmental function to promote the common good and general welfare of Reinvestment Zone Number One (the “Zone”) and neighboring areas; in the preparation and implementation of a project plan and a reinvestment zone financing plan for the zone; in the development of a policy to finance development and redevelopment of residential, educational facilities, commercial and park/open space properties in the Mission area; and in the development and implementation of a redevelopment policy for the Mission area, including the acquisition of land for redevelopment purposes. The Authority may issue bonds with consent of City Council. The Authority is managed by a Board of Directors consisting of seven members. Five of the members are appointed by the Mayor with the approval of City Council. The other two member positions are designated for participating taxing entities. MRA is presented as a governmental fund type and has a September 30 year end.

Complete financial statements for the above mentioned component unit may be obtained at its administrative office at:

Mission Redevelopment Authority
901 Business Park Drive Suite 200
Mission, Texas 78572

B. Government-wide and fund financial statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of the interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expense of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operation or capital requirement of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, interest revenue and charges for services. Sales taxes collected and held by the intermediary collecting governments at year end on behalf of the City also are accrued. Fines, permits and parking meter revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The City reports the following fund types and related major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than private purpose trusts or major capital projects) that are legally restricted to expenditures for specified purposes. None of the special revenue funds are major funds.

Debt Service Fund – Debt Service Funds are used to account for accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The debt service fund is reported as a major fund.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition of capital assets or construction of major capital facilities, not being financed by the proprietary funds. None of the capital projects funds are major funds.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

C. Measurement focus, basis of accounting, and financial statement presentation (*Continued*)

The City reports the following proprietary fund types and related major funds:

Enterprise Funds – Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City reports all of its enterprise funds as major funds.

The Utility Fund accounts for the provision of water and sewer services to the residents of the City and some residents outside of the City.

The Golf Course Fund accounts for the operations and maintenance of the Shary Municipal Golf Course.

The Solid Waste Fund accounts for the provision of garbage and brush collection for the residents of the City.

Internal Service Funds – Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other department or agencies of the City, or to other governments, on a cost-reimbursement basis. The Group Health Employee Plan Fund is used to account for health insurance premiums collected from employees and various City departments. Health insurance claims are also reflected in this fund.

The City reports fiduciary fund types, in which the City accounts for assets received and held by the City in the capacity of trustee, agent or custodian. Expenditures are made only in accordance with the purpose for which the assets are received and cannot be used to support the City's programs. Within this category of fund types, the private-purpose trust fund is used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments not reported in other fiduciary fund types. All resources of the fund, including any earnings or invested resources, may be used to support the organization's activities. There is no requirement that any portion of these resources be preserved as capital.

Fiduciary Funds – A private purpose trust fund, The Speer Memorial Library-Breyfogle, is used to account for resources held in trust for use for Library Science courses. These funds are to be used for library staff who have been accepted into a Library Science program and who are taking library science courses from an American Library Association/Masters of Library Science (ALA/MLS) accredited program or institution. All resources of the fund, including any earnings on invested resources, may be used to support these activities.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applications for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

C. Measurement focus, basis of accounting, and financial statement presentation (*Continued*)

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing service, producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments consist of U.S. agency obligations and TexPool investments.

U.S. Treasury and agency obligations are reported at fair value. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. The City's local government investment pools are recorded at amortized cost as permitted by GASB Statement No. 79, *Certain Investment Pools and Pool Participants*.

The City can legally invest in adequately secured investments in accordance with the Public Funds Investment Act. With certain restrictions, the City's Investment Policy allows investments in certificates of deposit, repurchase agreements, joint pools of political subdivisions in the State of Texas, obligations of the U.S. Government and its Agencies or instrumentalities and State obligations.

The Mission Economic Development Corporation (MEDC) is authorized with certain restrictions to invest in certificates of deposit, repurchase agreements, joint pools of political subdivisions in the State of Texas, obligations of the U.S. Government and its Agencies or instrumentalities and State obligations. Investments are reported at fair value in the component unit, except for pooled investments which are stated at amortized cost. MEDC's bank accounts are managed by the City and the City's investment policies are followed.

The Mission Redevelopment Authority is authorized to invest in any investments that are permitted by state statutes under the Public Funds Investment Act. During the year, MRA's investments consisted of U.S. government bonds and certificates of deposits which are valued at fair value.

E. Interfund Activity

Lending/borrowing between funds that results in amounts outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds".

"Due to/from other funds" represents the current portion of interfund loans, and "advances to/from other funds" represent non-current portion of interfund loans. With respect to the government-wide financial statements, any residual balances outstanding between the governmental activities and business-type activities are reported as "internal balances."

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

E. Interfund Activity (Continued)

Advances between funds, reported in the fund financial statements, are offset by a fund balance classification in the applicable governmental funds to indicate that they are not available for appropriation.

F. Receivables

Included in accounts receivable of the City's Utility fund is an estimated amount for services rendered but not billed as of the close of the year. The receivable was estimated by prorating subsequent cycle billings, based upon meter readings sent to customers.

Property taxes receivable have been prorated between General and Debt Service Fund based upon rates adopted for the year of the levy.

G. Inventory

Inventory held by each fund is stated at cost (primarily first-in, first-out). Inventories are recorded under the consumption method. Under this method, the expenditure is initially recorded as an asset and subsequently expended upon usage.

H. Redevelopment Assets

Redevelopment assets are recorded at historical cost. Depreciation is not recorded on redevelopment assets because they are expenditures for planning, design and construction of economic development projects, which upon completion will be transferred to the City of Mission or other governmental entities. Governments usually acquire or incur construction or design costs related to the redevelopment property to attract private-sector investment in an economically depressed area. During the construction or planning and design phase, these capital project assets are considered redevelopment assets of these component units.

I. Land Held for Resale

The City through Mission Economic Development Authority holds commercial real estate lots available for sale within an economically depressed area. These lots will be sold to attract development to further benefit the City.

J. Restricted Assets

Certain proceeds of long term debt, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

K. Capital Assets

Capital assets, which includes property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$250 or more and an estimated useful life in excess of one year.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

K. Capital Assets (*Continued*)

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in service concession agreements are reported at acquisition value.

Depreciation of capital assets used by proprietary funds is charged as an expense against their operations in the fund financial statements as well as the government-wide financial statements. Depreciation of general capital assets used by funds categorized as governmental activities is not provided in the fund financial statements; however, it is included in the gross expense by function in the government-wide Statement of Activities. Capital assets, net of accumulated depreciation, are reported on proprietary fund balance sheets and in both the governmental activities and business-type activities column of government-wide Statement of Net Position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Assets	Useful Lives
Buildings	30 years
Furniture and equipment	5-15 years
Vehicles	3-20 years
Water plant and water tower	20-50 years
Water lines	25 years
Sewer system	20 years
Infrastructure	10-45 years

L. Construction Period Interest

The Utility Fund (an enterprise fund) has capitalized interest cost during the construction period of water and wastewater projects. The capitalized interest is recorded as part of the cost of these projects and will be depreciated over the assets' estimated useful life. The amount of interest cost capitalized is net of interest earned on investments acquired with proceeds of related borrowings. Interest expense is not capitalized on capital assets of governmental funds.

M. Deferred Outflows of Resources and Deferred Inflows of Resources/Other Assets and Liabilities

Certain defined transactions that do not qualify for treatment as either assets or liabilities are required to be accounted for and reported as either deferred outflows of resources (a separate subheading following assets but before liabilities) or deferred inflows of resources (a separate subheading following liabilities but before equity).

Deferred outflows of resources—a consumption of net assets by the government that is applicable to a future reporting period and so will not be recognized as an outflow of resources (expenditure/expenses) until then. It has a positive effect on net position, similar to assets.

Deferred inflows of resources—an acquisition of net assets by the government that is applicable to a future reporting period. It has a negative effect on net position, similar to liabilities.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

***M. Deferred Outflows of Resources and Deferred Inflows of Resources/Other Assets and Liabilities
(Continued)***

In the government-wide financial statements, deferred amounts from a refunding of debt (debits) are reported as deferred outflows of resources and deferred amounts from refunding debt (credits) are reported as deferred inflows of resources and amortized over the lesser life of the refunded bonds or refunding debt.

Grant amounts received in advance of meeting timing requirements and advances of revenue from imposed nonexchange transactions such as property taxes or transactions recorded as a receivable prior to the period when resources are required to be used or are available, are reported as deferred inflows of resources at the fund level and are recognized as revenues at the government-wide level.

Deferred outflows/inflows of resources related to pensions, as described in Note 1-T, are reported in the government-wide and proprietary funds financial statements of net position.

Continued Use of Other Assets and Liabilities—Prepayments continue to be reported as assets. Grant amounts received in advance of meeting requirements other than timing and receipts of prepayments continue to be reported as liabilities.

N. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported only in the governmental activities column of the government-wide financial statements. Compensated absences vested or accumulated are reported in the governmental funds only if they have matured. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, *Accounting for Compensated Absences*, the vesting method can be used to calculate the liability related to compensated absences for sick leave. The vesting method focuses on vesting sick leave. Vesting rights include vested rights and those rights that will eventually vest. With the exception of police officers and firefighters, discussed below, the City has recognized a liability for the vested part of employee sick leave. Per the City's Personnel Policy Manual, one-half of accumulated sick days up to a maximum of 90 days will vest once an employee either reaches 15 years of service or is eligible for official retirement as defined by the Texas Municipal Retirement System.

Per Texas Local Government Code Section 143.045, Police Officers and Firefighters are allowed to accumulate 15 sick days for 12 months of employment. They are entitled to receive a lump-sum payment of the full amount of accumulated sick leave not to exceed a total of 90 days' pay. There is no requirement on vested time to receive benefit.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

O. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental/business type activities or the specific proprietary fund to which each relates, as applicable. Bond premiums and discounts are deferred charges amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Premiums received and discounts incurred on debt issuances are reported as other financing sources and uses. Issuance costs, whether or not withheld from debt proceeds, are reported as debt service expenditures.

P. Fund Balance Reporting

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, long term portions of receivables, redevelopment assets, and land held for resale. The City has prepaid expenses, inventories, long term portion of receivables, and land held for resale that are considered nonspendable.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that can be used only for the specific purpose determined by formal action of the government's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the government that can, by an adoption of an ordinance, commit fund balance. Once committed, the funds cannot be used for any other purpose unless such constraints are removed or modified by the adoption of another ordinance by City Council.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose. The responsibility to assign funds rests with the City Council, or its designee, such as the City Manager. The City's policy dictates that any funds set aside by management as assigned fund balance, must be reported to City Council on the next regular Council meeting. Council has the authority to change or remove the assignment with majority vote.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

Minimum Fund Balance Policy

- The City of Mission determined that it is essential that they maintain adequate levels of fund balance in the General Fund to mitigate risks, provide a back-up plan for revenue shortfalls, and ensure that appropriate amounts are available for emergencies.
- The General Fund Unrestricted Fund Balance will be no less than two (2) months of operating expenditures.
- Should the Unrestricted Fund Balance decline to less than two (2) months of operating expenditures, all one-time revenues will be applied to replenish the targeted minimum balance. The targeted fund balance must be replenished within two years.

Furthermore, the City's Charter contains a requirement that a provision must be made in the annual budget and in the appropriation ordinance for a contingent appropriation in an amount no more than three (3) percent of the total budget to be used in case of unforeseen items of expenditure. Unused contingent funds will be used to replenish the targeted minimum unrestricted fund balance.

Order of Expenditures of Funds

- When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds. A detailed classification of fund balances is included in Note 29.

Q. Prepaid Items

In the governmental fund types, payments made for services that benefit periods beyond the current year are recorded as prepaid expenditures and are equally offset by nonspendable fund balance, which indicates that they do not constitute “available spendable resources” even though they are a component of total assets. Prepaid items are accounted for using the consumption method.

R. Internal Service Fund Activity

Because the principal users of the internal service activities are the City's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statement. Only the net profit or loss before investment income is allocated to the operating programs benefited. The investment income is combined with other unrestricted income as general revenue in the statement of activities.

S. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates. Actual results could differ from those estimates.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

T. Pensions

In government-wide financial statements, pensions are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The City recognizes a net pension liability for each qualified pension plan in which it participates, which represents the excess of the total pension liability over the fiduciary net position of the pension plan, or the City's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the City's fiscal year-end. Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earning on qualified pension plan investments are recognized as component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

U. New Accounting Standards

In the current fiscal year, the City implemented the following new standards. The provisions of these new standards are summarized below. Implementation is reflected in the financial statements and notes to the financial statements, if applicable.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement replaces the requirements of Statement No. 45 and requires governments to report a liability on the face of the financial statements for the OPEB they provide. Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information ("RSI") about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements.

GASB Statement No. 85, *Omnibus 2017*. This statement establishes accounting and financial reporting requirements for blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits).

GASB Statement No. 86, *Certain Debt Extinguishment Issues*. This statement establishes standards of accounting and financial reporting for in-substance defeasance transactions in which cash and other monetary assets acquired with only existing resources—that is, resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the purpose of extinguishing debt. This statement also amends accounting and financial reporting requirements for prepaid insurance associated with debt that is extinguished, whether through a legal extinguishment or through an in substance defeasance, regardless of how the cash and other monetary assets were acquired. Finally, this statement establishes an additional disclosure requirement related to debt that is defeased in substance, regardless of how the cash and other monetary assets were acquired.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

U. New Accounting Standards

The GASB has issued the following statements, which will become effective for the City in future years. GASB Statement No. 83, *Certain Asset Retirement Obligations* (effective in FY 2019), GASB Statement No. 84, *Fiduciary Activities* (effective in FY 2020), and GASB Statement No. 87, *Leases* (effective in FY 2020). The City has not determined the impact of the implementation of these standards.

V. Rounding Adjustments

Throughout this comprehensive annual financial report, dollar amounts are rounded, thereby creating differences between the details and the totals.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

As mandated by the City Charter, budgets are required for all City funds each year. For the year ended September 30, 2018 budgets were not adopted for the Fiduciary Funds, but were adopted for the Internal Service Funds. Budget comparisons to actual expenditures for these funds are not required to be included in the financial statements. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds, except for the Capital Projects Funds. Budgets for the Capital Projects Funds are adopted over the multiple-year term of the projects.

NOTE 3 – PROPERTY TAXES

Property taxes are levied by October 1 in conformity with the Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period and those expected to be collected during a 30 day period after the close of the City's fiscal year.

Property taxes are billed and collected by the Hidalgo County Tax Office for the City by contract agreement. Tax collections are transferred directly into the City's bank account. The City is a Home-Rule Charter City with a maximum authorized tax rate for all purposes of \$2.50 per \$100 valuation. The combined tax rate for the year ended September 30, 2018 (2017 levy), was \$0.4862 per \$100 valuation. Taxes receivable consists of property taxes of \$2,319,863 and sales taxes of \$2,058,053 for a total taxes receivable of \$4,377,916.

NOTE 4 – DEPOSITS AND INVESTMENTS

A. Primary Government

Deposits – At September 30, 2018, the carrying value of the City's deposits was \$6,229,034 and the bank balance was \$7,198,521. The entire bank balance was covered by FDIC insurance or was fully collateralized with securities held by the City's agent in the City's name. The type of deposits held at year end was demand accounts.

Investments – The primary objective of the City's investment activity is the preservation of capital in the overall portfolio. Each investment transaction shall be conducted in a manner to avoid capital losses, whether they are from security defaults or erosion of market value.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 4 – DEPOSITS AND INVESTMENTS (*Continued*)

The City pools the cash, based on the City's needs, into either deposits in bank accounts, in short-term investments with TexPool, or in longer-term investments in U.S. Government Bonds. However, each fund's balance of cash and investments is maintained in the books of the City.

The City's investments' fair value measurements are as follows at September 30, 2018:

Investments	Fair Value Measurement Using		
	Level 1	Level 2	Level 3
Fair Value	Inputs	Inputs	Inputs
Certificates of deposit	\$ 8,810,930	\$ 8,810,930	\$ -
U.S. Government Bonds	1,485,316	-	1,485,316
	<u>\$ 10,296,246</u>	<u>\$ 8,810,930</u>	<u>\$ 1,485,316</u>

Quoted market prices are the basis of the fair value for investments. The amount of increase or decrease in the fair value of investments during the current year is included in the City's investment income of \$242,524.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment.

The City's investment policy limits average maturities of all investments to three years or less. The maximum final stated maturity of any investment shall not exceed five years. Portfolio diversification is employed as a way to control the risk. The City's investment portfolio is required to have sufficient liquidity to meet anticipated cash flow requirements.

The following is the Interest Rate Risk using Specific Identification, as of September 30, 2018:

Investment Type	Fair Value	Maturity Period		
		3 Months or Less	4-12 Months	Over One Year
TexPool	\$ 576,919	\$ 576,919	\$ -	\$ -
Federal Farm Credit Bank	248,515	-	248,515	-
Federal National Mortgage	740,024	-	-	740,024
Federal Home Loan Mortgage	496,777	-	249,212	247,565
Certificates of Deposits	8,810,930	502,595	1,888,622	6,419,713
	<u>\$ 10,873,165</u>	<u>\$ 1,079,514</u>	<u>\$ 2,386,349</u>	<u>\$ 7,407,302</u>

Credit Risk

Credit risk is the risk that a counterparty will not fulfill its obligations.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 4 – DEPOSITS AND INVESTMENTS (*Continued*)

The City's investment policy authorizes the following pools:

Public funds investment pools in Texas ("Pools") are established under the authority of the Inter-local Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"). Chapter 2258 of the Texas Government Code, in addition to the other provisions of the Act designed to promote liquidity and safety of principal, the Act required Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating services; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

TexPool policies require that local government deposits be used to purchase investments authorized by the Public Funds Investment Act (PFIA) of 1987, as amended. The Texas State Comptroller of Public Accounts has oversight responsibility for TexPool. TexPool is a public funds investment pool created by the Texas Treasury Safekeeping Trust Company (Trust Company) to provide a safe environment for the placement of local government funds in authorized short-term, fully collateralized investments, including direct obligations of, or obligations guaranteed by, the United States or State of Texas or their agencies; federally insured certificates of deposit issued by Texas banks or savings and loans; and fully collateralized direct repurchase agreements secured by United States Government agency securities and placed through a primary government securities dealer.

The Trust Company was incorporated by the State Treasurer by authority of the Texas Legislature as a special purpose trust company with direct access to the services of the Federal Reserve Bank to manage, disburse, transfer, safe keep, and invest public funds and securities more efficiently and economically. The State Comptroller of Public Account exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. TexPool uses amortized cost rather than fair value to report net position to compute share prices. The fair value of the position in TexPool is the same as the value of TexPool shares. As permitted by GASB No. 79, *Certain Investment Pools and Pool Participants*, the City's investments in TexPool are stated at cost, which approximates fair value.

The City's investment policies and types of investments are governed by the Public Funds Investment Act (PFIA). The City's management believes that it complied with the requirements of the PFIA and the City's Investment policies.

Statutes authorize the City to invest in obligations of the U.S. Treasury or the State of Texas, certain U.S. agencies, certificates of deposit, certain municipal securities, repurchase agreements, and other investments specifically allowed by the Public Funds Investment Act of 1995 (Chapter 2256, Texas Government Code).

Concentrations of Credit Risk

Portfolio diversification is critically important to the City to help mitigate the risk of loss. The following are employed terms of investment instruments, maturity scheduling and financial institutions to reduce risk of loss resulting from over concentration of assets in a specific class of investments, specific maturity, or specific issuer, as a way to control risk.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 4 – DEPOSITS AND INVESTMENTS (*Continued*)

As of September 30, 2018, the following was the composition of the City's credit rating by investment:

**Credit Quality Distribution of Securities
With Credit Exposure as a Percentage of Total Investments**

Investment Type	Rating	Exposure
TexPool	AAA	5%
Federal Farm Credit Bank	AAA	2%
Federal National Mortgage	AAA	7%
Federal Home Loan Mortgage	AAA	5%
Certificates of Deposits	N/A	81%

Custodial Credit Risk

For an investment, custodial credit risk is the risk that the City will not be able to recover the value of investments or collateral securities that are in the possession of an outside party if the counterparty to an investment will not fulfill its obligation.

The City's investments are categorized as a level one custodial credit risk, meaning that its investments are insured or registered or securities held by the City or its' agent in the City's name.

The City is prohibited from investing in the following types of investments:

- a. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.
- b. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.
- c. Collateralized mortgage obligations that have a stated final maturity date of greater than ten years.
- d. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

The Public Funds Investment Act, the City's investment policy, and Government Code Chapter 2257 "Collateral For Public Funds" contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments.

CITY OF MISSION, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2018

NOTE 4 – DEPOSITS AND INVESTMENTS (*Continued*)

A reconciliation of cash and investments as shown on the Statement of Net Position for the primary government follows:

Cash on hand	\$ 8,659
Carrying amount of deposits	6,229,034
Investments	<u>10,873,159</u>
Cash and Investments on Statement of Net Position	<u>\$ 17,110,852</u>
Cash and cash equivalents	\$ 674,850
Investments	7,662,357
Restricted assets	<u>8,773,645</u>
Cash and Investments on Statement of Net Position	<u>\$ 17,110,852</u>

B. Component Units

Mission Economic Development Corporation

Deposits - At September 30, 2018, the carrying value and bank balance of the Mission Economic Development Corporation's deposits was \$505,998. Deposits include demand accounts, money market and certificate of deposits. At September 30, 2018, all deposits were not fully insured or collateralized. See custodial credit risk below.

Investments - During the year, MEDC's investments which consisted of obligations of the U.S. Government or its Agencies and instrumentalities and public funds investment pools matured. At September 30, 2018, MEDC did not have any investments.

MEDC is required by Government Code Chapter 2256, The Public Funds Investment Act (the "Act"), to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowed stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

Statutes authorize MEDC to invest in obligations of the U.S. Treasury or the State of Texas, certain U.S. agencies, certificates of deposit, certain municipal securities, repurchase agreements, and other investments specifically allowed by the Public Funds Investment Act (Chapter 2256, Texas Government Code).

The Act requires an annual audit of investment practices. Audit procedures in this area conducted as part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies; MEDC reports its information to the City of Mission Council. Additionally, investment practices of MEDC were in accordance with local policies. The MEDC's management believes that it complied with the requirements of the PFIA and its adopted investment policies.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 4 – DEPOSITS AND INVESTMENTS (*Continued*)

At September 30, 2018, MEDC had deposits collateralized by pledged securities of \$197,218; all deposits were insured by the FDIC or were fully collateralized.

A reconciliation of cash as shown on the statement of net position for MEDC follows:

Petty cash	\$ 500
Carrying amount of deposits	<u>505,998</u>
Cash and Investments on Statement of Net Position	<u>\$ 506,498</u>
Cash and cash equivalents	\$ 145,936
Restricted assets	<u>360,562</u>
Cash and Investments on Statement of Net Position	<u>\$ 506,498</u>

Mission Redevelopment Authority

Investment Accounting Policy - The Authority is required by the Government Code Chapter 2256, The Public Funds Investment Act (the “Act”), to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit. The Act requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the Authority adhered to the requirements of the Act. Additionally, investment practices of the Authority were in accordance with local policies.

The Act determines the types of investments, which are allowable for the Authority. These include, with certain restrictions, (1) obligations of the U.S. Treasury, certain U.S. agencies, the state of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Authority policy authorizes all the State allowable investments. No person may invest the Authority funds without express written authority from the Board of Directors.

The Authority’s management believes that it has complied in all material respects with the requirements of the Act and the Authority’s investment policies.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 4 – DEPOSITS AND INVESTMENTS (*Continued*)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Public Funds Investment Act, the Authority's investment policy, and Government Code Chapter 2257 "Collateral for Public Funds" contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the Authority of securities eligible under the laws of Texas to secure the funds of the Authority, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. The Authority's funds are required to be deposited and invested under the terms of a depository contract.

The depository bank deposits for safekeeping and trust with the Authority's agent bank approved pledged securities in an amount sufficient to protect Authority funds on a day-to-day basis during the period of the contract. For the deposit and investment balances noted below, \$250,000 was covered by federal depository insurance and the balance was covered by collateral pledged in the name of the Authority and held in a third party depository.

Deposits

As of the fiscal year end, the bank balance of the Authority's deposits was \$7,897,386. The carrying values of these deposits totaled \$7,986,976.

Investments

As of September 30, 2018, the Authority had the following investments and maturities:

Investment Type	Amortized Cost	Fair Value	Maturity Period		
			Less Than One Year	One to Five Years	Over Five Years
Certificate of Deposits	\$ 3,638,356	\$ 3,611,398	2,041,850	\$ 1,569,548	\$ -
US Government Bonds	3,993,870	3,998,760	3,998,760	-	-
	<u>\$ 7,632,226</u>	<u>\$ 7,610,158</u>	<u>6,040,610</u>	<u>\$ 1,569,548</u>	<u>\$ -</u>

Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The Authority's investment policy identifies the types of allowable investments as governed by the Public Funds Investments Act, to reduce the credit risk associated with the investments. At September 30, 2018, the Authority's Money Market Mutual Fund investment rating was A- by Standard & Poor's Rating Service.

CITY OF MISSION, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2018

NOTE 4 – DEPOSITS AND INVESTMENTS (*Continued*)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority considers the investment in the Money Market Mutual Fund to have maturity of less than one year due to the fact the share position can usually be redeemed each day at the discretion of the Authority, unless there has been a significant change in value. The Authority's investment policy limits money market mutual funds to those with a stable net asset value of \$1 per share and those with a weighted average maturity of less than two years.

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund receivable and payable balances at September 30, 2018 were as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Utility Fund	\$ 4,064,151
General Fund	Non-Major Governmental Funds	1,393,398
General Fund	ISF - Group Health Fund	688,916
Debt Service Fund	General Fund	366,137
Non-Major Governmental Funds	General Fund	2,819,934
Non-Major Governmental Funds	Utility Fund	40
Non-Major Governmental Funds	ISF - Group Health Fund	2,626
Utility Fund	General Fund	477
Golf Course Fund	General Fund	19,089
Solid Waste Fund	General Fund	1,552,861
ISF - Group Health Fund	General Fund	472,860
ISF - Group Health Fund	Utility Fund	61,289
ISF - Group Health Fund	Solid Waste Fund	9,384
ISF - Group Health Fund	Golf Course Fund	15,941
ISF - Group Health Fund	Non-Major Governmental Funds	10,157
Private Purpose Trust Fund	General Fund	6,812
		<u><u>\$ 11,484,072</u></u>

The remaining balances resulted from a routine lag between the dates that transactions are recorded in the accounting system and payments made between the funds. All amounts are scheduled to be repaid within one year.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (*Continued*)

B. Due to/from the primary government and component units at September 30, 2018 were as follows:

Receivable Entity	Payable Entity	Amount
Primary Gov't - General Fund	Component Unit - MRA	\$ 3,138
Primary Gov't - General Fund	Component Unit - MEDC	1,382,249
Primary Gov't - Nonmajor Gov't Funds	Component Unit - MRA	3,000
Primary Gov't - Utility Fund	Component Unit - MRA	394,537
Primary Gov't - Group Health Fund	Component Unit - MEDC	5,552
		<u>\$ 1,788,476</u>

C. Interfund Transfers:

Transfers Out:	Transfers In:			
	General Fund	Debt Service	Non-Major	Total
		Fund	Governmental Funds	
General Fund	\$ -	\$ 800,000	\$ 2,507,082	\$ 3,307,082
Debt Service Fund	-	-	420,548	420,548
Non-Major Governmental Funds	-	106	127,648	127,754
Utility Fund	4,400,000	-	-	4,400,000
Solid Waste Fund	2,000,000	-	-	2,000,000
Total Transfers Out	<u>\$ 6,400,000</u>	<u>\$ 800,106</u>	<u>\$ 3,055,278</u>	<u>\$ 10,255,384</u>

Transfers out from the General to Non-Major Governmental Funds were to sustain the operating activities of those funds.

Transfers from the Utility and Solid Waste Funds to the General Fund were to supplement the General fund for administrative services provided to the enterprise fund.

Is this true? Was the entire \$4.4 million reimbursing the general fund for services the general fund provided to the enterprise fund? Please provide what it was for to modify wording.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2018 was as follows:

	Balance at September 30, 2017	Increases	Decreases and Reclassifications	Balance at September 30, 2018
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 37,659,281	\$ 953,698	\$ -	\$ 38,612,979
Construction in progress	<u>35,273,009</u>	<u>3,938,704</u>	<u>(20,483,358)</u>	<u>18,728,355</u>
Total capital assets, not being depreciated	<u>72,932,290</u>	<u>4,892,402</u>	<u>(20,483,358)</u>	<u>57,341,334</u>
Capital assets, being depreciated:				
Buildings	21,408,950	15,849,830	-	37,258,780
Improvements other than buildings	17,831,148	1,800,224	-	19,631,372
Machinery and equipment	28,759,097	2,231,022	(111,061)	30,879,058
Infrastructure	<u>96,623,860</u>	<u>10,066,850</u>	<u>-</u>	<u>106,690,710</u>
Total capital assets, being depreciated	<u>164,623,055</u>	<u>29,947,926</u>	<u>(111,061)</u>	<u>194,459,920</u>
Less accumulated depreciation for:				
Buildings	(9,838,971)	(803,092)	-	(10,642,063)
Improvements other than buildings	(9,093,765)	(1,174,481)	-	(10,268,246)
Machinery and equipment	(23,123,153)	(1,459,735)	90,190	(24,492,698)
Infrastructure	<u>(58,722,247)</u>	<u>(3,847,991)</u>	<u>-</u>	<u>(62,570,238)</u>
Total accumulated depreciation	<u>(100,778,136)</u>	<u>(7,285,299)</u>	<u>90,190</u>	<u>(107,973,245)</u>
Total capital assets, being depreciated, net	<u>63,844,919</u>	<u>22,662,627</u>	<u>(20,871)</u>	<u>86,486,675</u>
Governmental activities capital assets, net	<u>\$ 136,777,209</u>	<u>\$ 27,555,029</u>	<u>\$ (20,504,229)</u>	<u>\$ 143,828,009</u>
<u>Business-type Activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 3,658,578	\$ -	\$ -	\$ 3,658,578
Water rights	3,870,564	-	-	3,870,564
Construction in progress	<u>12,765,329</u>	<u>11,403,709</u>	<u>(1,662,889)</u>	<u>22,506,149</u>
Total assets, not being depreciated	<u>20,294,471</u>	<u>11,403,709</u>	<u>(1,662,889)</u>	<u>30,035,291</u>
Capital assets, being depreciated:				
Buildings and system	138,495,364	2,893,244	-	141,388,609
Improvements other than buildings	3,455,081	149,934	-	3,605,015
Furniture and equipment	<u>13,645,177</u>	<u>751,213</u>	<u>(4,883)</u>	<u>14,391,507</u>
Total assets, being depreciated	<u>155,595,622</u>	<u>3,794,391</u>	<u>(4,883)</u>	<u>159,385,131</u>
Less accumulated depreciation for:				
Buildings and system	(71,217,200)	(4,527,167)	-	(75,744,367)
Improvements other than buildings	(2,879,663)	(260,650)	-	(3,140,313)
Furniture and equipment	<u>(8,880,651)</u>	<u>(1,003,604)</u>	<u>4,883</u>	<u>(9,879,372)</u>
Total accumulated depreciation	<u>(82,977,514)</u>	<u>(5,791,421)</u>	<u>4,883</u>	<u>(88,764,052)</u>
Total capital assets, being depreciated, net	<u>72,618,108</u>	<u>(1,997,030)</u>	<u>-</u>	<u>70,621,079</u>
Business-type activities capital assets, net	<u>\$ 92,912,579</u>	<u>\$ 9,406,679</u>	<u>\$ (1,662,889)</u>	<u>\$ 100,656,370</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 6 – CAPITAL ASSETS (*Continued*)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General government	\$ 228,536
Public safety	1,312,013
Highways and streets, including depreciation of general infrastructure assets	4,217,959
Sanitation	12,233
Culture and recreation	<u>1,514,559</u>
Total depreciation expense -Governmental activities	<u>\$ 7,285,300</u>

Business-type Activities:

Utility	\$ 5,063,081
Golf Course	230,759
Solid Waste	<u>435,742</u>
Total depreciation expense - business-type activities	<u>\$ 5,729,582</u>

Mission Economic Development Corporation

Capital asset activity for the year ended September 30, 2018 for MEDC, was as follows:

	Balance at September 30, 2017	Increases	Decreases	Balance at September 30, 2018
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 5,523,909	\$ -	\$ -	\$ 5,523,909
Total capital assets, not being depreciated	<u>5,523,909</u>	<u>-</u>	<u>-</u>	<u>5,523,909</u>
Capital assets, being depreciated:				
Machinery and equipment	1,181,842	96,499	\$ -	1,278,341
Building	<u>9,684,722</u>	<u>92,406</u>	<u>-</u>	<u>9,777,128</u>
Total capital assets, being depreciated	<u>10,866,564</u>	<u>188,905</u>	<u>-</u>	<u>11,055,469</u>
Less accumulated depreciation for:				
Machinery and equipment	(208,707)	(137,444)	-	(346,151)
Building	<u>(415,403)</u>	<u>(416,173)</u>	<u>-</u>	<u>(831,576)</u>
Total accumulated depreciation	<u>(624,110)</u>	<u>(553,617)</u>	<u>-</u>	<u>(1,177,727)</u>
Total capital assets, being depreciated, net	<u>10,242,454</u>	<u>(364,712)</u>	<u>-</u>	<u>9,877,742</u>
Governmental activities capital assets, net	<u>\$ 15,766,363</u>	<u>\$ (364,712)</u>	<u>\$ -</u>	<u>\$ 15,401,651</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 6 – CAPITAL ASSETS (*Continued*)

Mission Economic Development Corporation (*Continued*)

Depreciation expense charged to governmental activities totaled \$553,617 for the year ended September 30, 2018.

Land held at September 30, 2018 consisted of 9 parcels of land. MEDC intends to sell and is currently marketing these 9 parcels of land.

NOTE 7 – RECEIVABLES

Receivables at September 30, 2018 were as follows:

					Due from		
	Taxes	Accounts	Special Assessments	Other Governments	Allowance for Uncollectibles	Net Receivables	
Governmental Activities:							
General	\$ 1,850,331	\$ 1,774,531	\$ -	\$ 2,464,282	\$ (1,880,282)	\$ 4,208,862	
Debt Service	469,532	-	-	-	(148,082)	321,450	
Nonmajor Gov't Funds	-	417,919	144,657	1,484,361	(883)	2,046,054	
Internal Service Fund	-	9,327	-	-	-	9,327	
Total	<u>\$ 2,319,863</u>	<u>\$ 2,201,777</u>	<u>\$ 144,657</u>	<u>\$ 3,948,643</u>	<u>\$ (2,029,247)</u>	<u>\$ 6,585,693</u>	
Business-type Activities:							
Utility	\$ -	\$ 2,694,611	\$ -	\$ -	\$ (151,136)	\$ 2,543,475	
Golf Course	-	5,200	-	-	-	5,200	
Solid Waste	-	1,054,625	-	-	(43,637)	1,010,988	
Total	<u>\$ -</u>	<u>\$ 3,754,436</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (194,773)</u>	<u>\$ 3,559,663</u>	

Revenues of the Utility and Solid Waste Fund are reported net of uncollectible amounts related to revenues of the current period.

	Solid Waste	
	Utility Fund	Fund
Gross operating revenues	\$ 21,780,795	\$ 6,803,689
Uncollectibles related to current year	(60,303)	(20,101)
Net operating revenues	<u>\$ 21,720,492</u>	<u>\$ 6,783,588</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 8 – DISAGGREGATION OF OTHER LIABILITIES

At September 30, 2018 the City had the following other liabilities:

Payable To	Governmental Activities	Business-type Activities	Total
Due to state	\$ 127,055	\$ 74,643	\$ 201,698
Due to other governmental agencies	10,140	-	10,140
Wages and deductions	196,762	37,489	234,251
Court deposits/refunds	12,301	-	12,301
Due to others	<u>1,590,449</u>	<u>29,705</u>	<u>1,620,154</u>
	<u><u>\$ 1,936,707</u></u>	<u><u>\$ 141,837</u></u>	<u><u>\$ 2,078,544</u></u>

NOTE 9 – LONG-TERM DEBT

Certificates of Obligation

The City issues Certificates of Obligation to finance construction projects.

Certificates of Obligation payable at September 30, 2018 are comprised of the following:

Governmental activities:

\$5,495,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2009, payable in annual installments ranging from \$85,000 to \$415,000 through February 15, 2029, interest at 3.00% to 5.25%.	\$ 1,765,000
\$2,930,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2010, payable in annual installments ranging from \$75,000 to \$340,000 through February 15, 2025, interest at 2.00% to 4.00%.	620,000
\$2,635,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation Series 2012, payable in annual installments ranging from \$100,000 to \$500,000 through February 15, 2032, interest at 2.00% to 4.00%.	1,920,000
\$17,610,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation Series 2016, payable in annual installments ranging from \$875,000 to \$1,575,000 through February 15, 2031, interest at 2.00% to 5.00%.	<u>15,850,000</u>
	<u><u>\$ 20,155,000</u></u>

CITY OF MISSION, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2018

NOTE 9 – LONG-TERM DEBT (*Continued*)

Certificates of obligation debt service requirements to maturity are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2019	\$ 1,365,000	\$ 853,193	\$ 2,218,193
2020	1,415,000	800,499	2,215,499
2021	1,470,000	745,636	2,215,636
2022	1,535,000	681,802	2,216,802
2023	1,380,000	613,125	1,993,125
2024-2028	7,685,000	1,991,911	9,676,911
2029-2033	5,305,000	330,151	5,635,151
	<u>\$ 20,155,000</u>	<u>\$ 6,016,317</u>	<u>\$ 26,171,317</u>

General Obligation

The City has issued General Obligation Bonds, the proceeds of which have been used to advance refund various prior year outstanding long term debt obligations.

General Obligations payable at September 30, 2018 are comprised of the following:

Governmental activities:

\$7,565,000 Texas General Obligation Refunding Bonds, Series 2009, payable in annual installments ranging from \$230,000 to \$565,000 through February 15, 2026, interest at 3.00% to 5.25%.	\$ 2,380,000
\$3,165,000 Texas General Obligation Refunding Bonds, Series 2012, payable in annual installments ranging from \$30,000 to \$270,000 through February 15, 2028, interest at 1.00% to 3.50%.	2,325,000
\$2,285,000 Texas General Obligation Refunding Bonds, Series 2014, payable in annual installments ranging from \$165,000 to \$240,000 through February 15, 2025, interest at 2.63%.	1,520,000
\$8,085,000 Texas General Obligation Refunding Bonds, Series 2016, payable in annual installments ranging from \$165,000 to \$1,210,000 through February 15, 2029, interest at 2.00% to 5.00%.	<u>7,455,000</u>
	<u><u>\$ 13,680,000</u></u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 9 – LONG-TERM DEBT (*Continued*)

General Obligation debt service requirements to maturity are as follows:

Year Ending September 30,	Activities		
	Principal	Interest	Total
2019	\$ 1,355,000	\$ 529,342	\$ 1,884,342
2020	1,405,000	480,658	1,885,658
2021	1,460,000	429,832	1,889,832
2022	1,520,000	375,536	1,895,536
2023	1,820,000	306,643	2,126,643
2024-2028	5,915,000	547,504	6,462,504
2029-2033	205,000	4,100	209,100
	<u>\$ 13,680,000</u>	<u>\$ 2,673,615</u>	<u>\$ 16,353,615</u>

Public Property Finance Contractual Obligations

The City also issued Public Property Finance Contractual Obligations to finance acquisition of equipment for the Fire Department.

Public Property Finance Contractual Obligations payable at September 30, 2018 are comprised of the following:

Governmental activities:

\$368,865 Public Property Finance Act Contract No. 6564, payable in annual installments of \$59,379, including principal and interest, through March 1, 2021, interest at 3.091%. \$ 167,509

Public Property Finance Contractual Obligation debt service requirements to maturity are as follows:

Year Ending September 30,	Activities			Total
	Principal	Interest		
2019	\$ 54,196	\$ 5,183		\$ 59,379
2020	55,871	3,507		59,378
2021	57,442	1,920		59,362
	\$ 167,509	\$ 10,610		\$ 178,119

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 9 – LONG-TERM DEBT (*Continued*)

Revenue Bonds

The City has pledged future waterworks and sewer system net revenues, to repay \$34,245,000 plus interest in Junior Lien revenue bonds issued in 2009, 2014, 2015 and 2016. Proceeds from the bonds provided financing for all or a portion of the City's contractual obligations for design, construction, professional services, legal, fiscal, issuance and engineering costs of certain water and wastewater system improvements and refunding on old issues, i.e. EDAP project and wastewater plant expansion. The bonds are payable solely from waterworks and sewer system net revenues and are payable through 2044. Annual principal and interest payments on the bonds are expected to require less than 34 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$40,769,583. Principal and interest paid for the current year and total waterworks and sewer system net revenues were \$3,158,553 and \$11,208,769, respectively.

Revenue bonds payable at September 30, 2018 are comprised of the following:

Business-type activities:

Utility Fund:

\$7,780,000 2009 Waterworks and Sewer System Junior Lien Revenue Taxable Serial Bonds payable in annual installments ranging from \$275,000 to \$465,000 from December 30, 2009 through February 15, 2029; non-interest bearing.	\$ 5,025,000
\$10,370,000 2014 Waterworks and Sewer System Junior Lien Refunding Bonds payable in annual installments ranging from \$675,000 to \$1,100,000 from February 15, 2015 through February 15, 2026; interest at 2.00% to 5.00%.	7,490,000
\$16,140,000 2015 Waterworks and Sewer System Junior Lien Refunding Bonds payable in annual installments ranging from \$490,000 to \$730,000 from February 15, 2017 through February 15, 2044; interest at 0.29% to 2.11%.	15,160,000
\$8,260,000 2016 Waterworks and Sewer System Junior Lien Revenue Taxable Serial Bonds payable in annual installments ranging from \$250,000 to \$1,075,000 from February 15, 2017 through February 15, 2027; interest at 2.00% to 4.00%.	<u>6,570,000</u>
	<u><u>\$ 34,245,000</u></u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 9 – LONG-TERM DEBT (*Continued*)

Revenue bonds debt service requirements to maturity are as follows:

Year Ending September 30,	Business-type Activities		
	Principal	Interest	Total
2019	\$ 2,370,000	\$ 784,803	\$ 3,154,803
2020	2,430,000	724,468	3,154,468
2021	2,505,000	661,034	3,166,034
2022	2,570,000	595,113	3,165,113
2023	2,640,000	523,712	3,163,712
2024-2028	11,230,000	1,522,650	12,752,650
2029-2033	3,250,000	859,577	4,109,577
2034-2038	3,095,000	587,037	3,682,037
2039-2043	3,425,000	258,487	3,683,487
2044-2048	730,000	7,702	737,702
	<u>\$ 34,245,000</u>	<u>\$ 6,524,583</u>	<u>\$ 40,769,583</u>

Public Property Finance Contractual Obligations

The City also issued Public Property Finance Contractual Obligations to finance acquisition of equipment for the Solid Waste Fund. Public Property Finance Contractual Obligations payable at September 30, 2018 are comprised of the following:

Business-type activities – Solid Waste Fund:

\$4,880,000 Texas Public Property Finance Contractual Obligation, Series 2014, payable in annual installments ranging from \$205,000 to \$815,000 through February 15, 2021, interest at 1.87%.

\$ 2,400,000

Public Property Finance Contractual Obligation debt service requirements to maturity are as follows:

Year Ending September 30,	Business-type Activities		
	Principal	Interest	Total
2019	\$ 785,000	\$ 37,540	\$ 822,540
2020	800,000	22,720	822,720
2021	815,000	7,620	822,620
	<u>\$ 2,400,000</u>	<u>\$ 67,880</u>	<u>\$ 2,467,880</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 9 – LONG-TERM DEBT (*Continued*)

In 2010, the City closed on a commitment from the Drinking Water State Revolving Fund (DWSRF) administered by the Texas Water Development Board which authorized the issuance of \$8,285,000 in revenue bonds. These bonds titled Waterworks and Sewer System Junior Lien Revenue Bonds Taxable Series 2009 were used for projects to make water system improvements. The DWSRF funding mechanism allowed the City to issue as many bond coupons in installments as needed to fund the authorized projects. At the completion of the authorized project, the total amount of coupons issued by the City was \$7,780,000.

On August 16, 2016, the City issued General Obligation Refunding Series 2016 in the amount of \$8,085,000 to advance refund a portion of Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2005A; Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2007; Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2009; General Obligation Refunding Bonds, Series 2009. Bond proceeds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of old debt resulting in an economic gain of \$920,000. Deferred loss on refunding at September 30, 2018 totaled \$390,012.

Outstanding balance on partially defeased bonds are as follows at September 30, 2018:

\$5,495,000 Combination Tax & Limited Pledge Revenue Certificates of Obligation, Series 2009	\$ 1,765,000
\$7,565,000 Texas General Obligation Refunding Bonds, Series 2009	<u>2,380,000</u>
	<u><u>\$ 4,145,000</u></u>

Bonds are included in bond payable schedules above as well as debt service requirements.

Arbitrage Compliance

The City of Mission is subject to federal arbitrage regulations and as of September 30, 2018, the City was in compliance with all arbitrage rebate and yield restriction reporting requirements. In addition the City had no accrued liabilities in regards to arbitrage rebate or yield restrictions. The City adheres to its adopted written procedures to monitor post-issuance compliance of the federal tax laws applicable to the Bonds as requested by the Internal Revenue Service.

Texas Water Code Compliance

Subsequent to year end, the Texas Water Development Board (TWDB) notified the City it was not in compliance with Texas Water Code, Chapter 16, Section 13.356 related to Economically Distressed Areas Program (EDAP). This section states that a political subdivision may not use any revenue received from fees collected from a water supply or sewer service constructed in whole or in part from EDAP funds for purposes other than utility purposes. The City has been in communication with the TWDB and is currently working on a compliance plan. The effects of such noncompliance as it relates to the financial position of the City is currently undeterminable.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 9 – LONG-TERM DEBT (*Continued*)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2018 was as follows:

	Balance at September 30, 2017	Additional Obligations and Net Increases	Retirements and Net Decreases	Balance at September 30, 2018	Due Within One Year
Governmental Activities:					
Bonds payable:					
Certificates of obligation	\$ 21,475,000	\$ -	\$ 1,320,000	\$ 20,155,000	\$ 1,365,000
Public property finance contractual obligations	220,088	-	52,579	167,509	54,196
General obligations	14,995,000	-	1,315,000	13,680,000	1,355,000
Plus bond premium	4,110,578	-	332,232	3,778,346	332,232
Total bonds payable	<u>40,800,666</u>	<u>-</u>	<u>3,019,811</u>	<u>37,780,855</u>	<u>3,106,428</u>
Capital leases	-	530,306	75,080	455,226	70,688
Compensated absences	3,349,746	1,479,656	1,584,184	3,245,218	1,369,336
Net pension liability	9,628,720		4,171,960	5,456,760	-
Net other postemployment benefit obligation	885,657	3,837,549	-	4,723,206	-
Anzalduas bridge payable	2,920,132	305,944	-	3,226,076	-
Governmental activities long-term liabilities	<u>\$ 57,584,921</u>	<u>\$ 6,153,455</u>	<u>\$ 8,851,035</u>	<u>\$ 54,887,341</u>	<u>\$ 4,546,452</u>
Business-type Activities:					
Bonds payable:					
Revenue bonds	\$ 36,570,000	\$ -	\$ 2,325,000	\$ 34,245,000	\$ 2,370,000
Public property finance contractual obligations	3,170,000	-	770,000	2,400,000	785,000
Plus bond premium	1,256,805	-	137,394	1,119,411	137,394
Total bonds payable	<u>40,996,805</u>	<u>-</u>	<u>3,232,394</u>	<u>37,764,411</u>	<u>3,292,394</u>
Capital leases	149,097	-	45,564	103,533	46,950
Compensated absences	461,665	177,084	220,329	418,420	203,296
Net pension liability	1,814,987	-	840,936	974,051	-
Net other postemployment benefit obligation	227,177	932,634	-	1,159,811	-
Business-type activities long-term liabilities	<u>\$ 43,649,731</u>	<u>\$ 1,109,718</u>	<u>\$ 4,339,223</u>	<u>\$ 40,420,226</u>	<u>\$ 3,542,640</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 9 – LONG-TERM DEBT (*Continued*)

Generally, the general and special revenue funds liquidate the portion of compensated absences and pension liabilities that pertain to their own fund.

After adoption of GASB 65, the deferred gain/loss on refunding is now reported as deferred outflows/inflows of resources. See Note 12.

The Utility Fund capitalized \$169,021 of bond interest expense as part of various construction projects for the year ended September 30, 2018.

Additional disclosures on capital lease commitments are presented in Note 21.

NOTE 10 – COMPONENT UNIT – LONG-TERM DEBT PAYABLE

A. Mission Economic Development Corporation (MEDC)

MEDC has issued sales tax revenue bonds to finance various construction projects to enhance economic development in the Mission area. These bonds are to be repaid with sales tax revenue.

Sales tax revenue bond payable at September 30, 2018 for the MEDC is comprised of the following:

\$4,380,000 - Sales Tax Revenue Refunding Bonds, Series 2010	
due in annual principal installments ranging from \$90,000 to	
\$395,000 from January 15, 2011 through 2024; interest at 3.85%.	\$ 2,015,000

The annual requirements to retire the sales tax revenue bond including interest are as follows:

Year Ending				
September 30,	Principal	Interest	Total	
2019	\$ 380,000	\$ 70,263	\$ 450,263	
2021	395,000	55,344	450,344	
2021	295,000	42,061	337,061	
2022	305,000	30,511	335,511	
2023	315,000	18,576	333,576	
2024-2028	325,000	6,256	331,256	
	<u>\$ 2,015,000</u>	<u>\$ 223,011</u>	<u>\$ 2,238,011</u>	

CITY OF MISSION, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2018

NOTE 10 – COMPONENT UNIT – LONG-TERM DEBT PAYABLE (*Continued*)

Sales tax revenue notes payable at September 30, 2018 for the MEDC is comprised of the following:

\$6,000,000 - Sales and Use Tax Revenue Note, Series 2016-A due in semi-annual installments of \$300,000 including interest at 2.85%. Note matures August 1, 2036. Note is collateralized by sales tax revenues collected.	\$ 4,939,410
\$2,000,000 - Sales and Use Tax Revenue Note, due in monthly installments of \$20,105, including interest at 3.795%. Note matures on December 1, 2021. Note is collateralized by sales tax revenues collected.	<u>1,702,875</u>
	<u><u>\$ 6,642,285</u></u>

The annual requirements to retire the sales tax revenue note payable including interest are as follows:

Year Ending September 30,	Principal	Interest	Total
2019	\$ 478,869	\$ 203,159	\$ 682,028
2020	485,718	187,760	673,478
2021	493,147	171,781	664,928
2022	500,711	155,667	656,378
2023	508,572	139,256	647,828
2024-2028	2,236,080	1,042,002	3,278,082
2029-2033	1,500,000	468,793	1,968,793
2034-2038	<u>439,188</u>	<u>40,517</u>	<u>479,705</u>
	<u><u>\$ 6,642,285</u></u>	<u><u>\$ 2,408,935</u></u>	<u><u>\$ 9,051,220</u></u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 10 – COMPONENT UNIT – LONG-TERM DEBT PAYABLE (*Continued*)

The following is a summary of changes in long-term debt obligations for MEDC for the year ended September 30, 2018:

	September 30, 2017	Additional Obligations and Net Increases	Retirements and Net Decreases	September 30, 2018	Due Within One Year
Bonds and notes:					
Sales Tax Refunding Bond	\$ 2,380,000	\$ -	\$ 365,000	\$ 2,015,000	\$ 380,000
Sales Tax Revenue Note - LSNB	1,875,013	-	172,137	1,702,876	178,869
Sales Tax Revenue Note - Frost	<u>5,239,409</u>	<u>-</u>	<u>300,000</u>	<u>4,939,409</u>	<u>300,000</u>
Total bonds and notes	<u>9,494,422</u>	<u>-</u>	<u>837,137</u>	<u>8,657,285</u>	<u>858,869</u>
Other Liabilities:					
Capital leases	8,831,258	-	330,564	8,500,694	343,330
Total other liabilities	<u>8,831,258</u>	<u>-</u>	<u>330,564</u>	<u>8,500,694</u>	<u>343,330</u>
Total long-term debt obligations	<u>\$ 18,325,680</u>	<u>\$ -</u>	<u>\$ 1,167,701</u>	<u>\$ 17,157,979</u>	<u>\$ 1,202,199</u>

The above listed refunding bond issue is to be repaid from the 1/2 cent sales tax levied under the Section 4B referred to in Note 1(A).

B. Mission Redevelopment Authority (MRA)

Revenue Bonds Payable

The Mission Redevelopment Authority periodically issues bonds to pay for the costs incurred within the Tax Increment Reinvestment Zone (TIRZ) for infrastructure improvements. These bonds will be repaid from property taxes collected on property within TIRZ.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 10 – COMPONENT UNIT – LONG-TERM DEBT PAYABLE (*Continued*)

Bonds payable at September 30, 2018 for the MRA are comprised of the following:

\$10,620,000 in tax increment contract revenue bonds series 2009. The interest rates on the bonds range from 3.00% - 5.25%. Interest on the bonds is payable on each March 1st and September 1st. The bonds mature serially September 1st beginning 2010 and ending 2029.	\$ 1,000,000
\$7,455,000 in tax increment contract revenue bonds series 2013. The interest rates on the bonds range from 2.00% - 4.00%. Interest on the bonds is payable on each March 1st and September 1st. The bonds mature serially September 1st beginning 2015 and ending 2030.	5,640,000
\$16,990,000 in tax increment contract revenue bonds series 2017. The interest rates on the bonds range from 2.00% - 4.00%. Interest on the bonds is payable on each March 1st and September 1st. The bonds mature serially September 1st beginning 2017 and ending 2030.	<u>15,820,000</u>
	<u><u>\$ 22,460,000</u></u>

As of September 30, 2018, the debt service requirements on the bonds outstanding were as follows:

Year Ending <u>September 30,</u>	Principal	Interest	Total
2019	\$ 1,875,000	\$ 777,426	\$ 2,652,426
2020	1,950,000	704,438	2,654,438
2021-2024	8,465,000	2,119,700	10,584,700
2025-2029	9,030,000	1,364,045	10,394,045
2030	1,140,000	47,756	1,187,756
	<u><u>\$ 22,460,000</u></u>	<u><u>\$ 5,013,365</u></u>	<u><u>\$ 27,473,365</u></u>

State Infrastructure Loan Agreement

On March 25, 2008 MRA entered into a State Infrastructure Loan Agreement with the State of Texas, acting by and through the Texas Department of Transportation (TxDOT). The agreement became effective on April 3, 2008, upon execution by the State. The loan amount of \$3,000,000 was used to finance the actual costs of the extension of Anzalduas Road from the proposed General Service Administration Complex north to US 83 Expressway. The MRA has agreed to repay the loan over a period of fifteen (15) years at a 3.85% interest rate. \$ 1,193,666

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 10 – COMPONENT UNIT – LONG-TERM DEBT PAYABLE (*Continued*)

As of September 30, 2018, the debt service requirements on the loan agreement were as follows:

Year Ending		Principal	Interest	Total
September 30,				
2019	\$ 221,045	\$ 45,956	\$ 267,001	
2020	229,555	37,446	267,001	
2021-2024	743,066	57,936	801,002	
	<u>\$ 1,193,666</u>	<u>\$ 141,338</u>	<u>\$ 1,335,004</u>	

The following is a summary of changes in long-term obligations debt for MRA for the year ended September 30, 2018:

	September 30, 2017	Additional Obligations and Net Increases	Retirements and Net Decreases	September 30, 2018	Due Within One Year
Tax increment contract revenue bonds series 2009	1,470,000	-	470,000	1,000,000	490,000
Tax increment contract revenue bonds series 2013	6,015,000	-	375,000	5,640,000	385,000
Tax increment contract revenue bonds series 2017	16,780,000	-	960,000	15,820,000	1,000,000
Less issuance discounts	(108,081)	-	(8,314)	(99,767)	-
Plus issuance premiums	921,615	-	70,893	850,722	-
Less losses	(881,764)	-	(67,828)	(813,936)	-
Total contract revenue bonds	<u>24,196,770</u>	<u>-</u>	<u>1,799,751</u>	<u>22,397,019</u>	<u>1,875,000</u>
State infrastructure bank loan	1,406,516	-	212,850	1,193,666	221,045
Total loans	<u>1,406,516</u>	<u>-</u>	<u>212,850</u>	<u>1,193,666</u>	<u>221,045</u>
Total MRA long-term obligations	<u>\$ 25,603,286</u>	<u>\$ -</u>	<u>\$ 2,012,601</u>	<u>\$ 23,590,685</u>	<u>\$ 2,096,045</u>

Optional Redemption for Tax Increment Contract Revenue Bonds

The Authority reserves the right, at its option, to redeem bonds prior to their scheduled maturities, in whole or from time to time, in part, on the call date or any date thereafter at a price of par value plus unpaid accrued interest from the most recent interest payment date to the date fixed from redemption. This optional redemption applies to bonds maturing on or after September 1, 2020 or September 1, 2024, or September 1, 2028 for Series 2005 and Series 2009, Series 2013, and Series 2017 bonds respectively.

Scheduled Mandatory Redemption for Tax Increment Contract Revenue Bonds

The Series 2009 Term bonds due September 1, 2022, September 1, 2025, September 1, 2027, and September 1, 2029, are subjected to mandatory redemption by lot or other customary method at a price of par plus accrued interest on September 1st in the years and amounts as reflected in the debt service schedules.

CITY OF MISSION, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2018

NOTE 10 – COMPONENT UNIT – LONG-TERM DEBT PAYABLE (*Continued*)

The Series 2013 Term bonds due September 1, 2030 are subjected to mandatory sinking fund redemption in part, prior to their stated maturity at the redemption prices of par plus accrued interest on September 1 in the years and amounts as reflected in the debt service schedules.

The Series 2017 Term bonds due September 1, 2030 are subjected to mandatory sinking fund redemption in part, prior to their stated maturity at the redemption prices of par plus accrued interest on September 1 in the years and amounts as reflected in the debt service schedules.

NOTE 11 – INTERFUND ADVANCES

Revenues decreased for the Golf Course during the year. The City experienced heavy rainfalls during the month of June 2018, affecting operations for several weeks at the Golf Course. The Golf Course staff will continue to increase tournament play and use specials to entice players to golf during off-peak times. The Media Relations Department and social media are being utilized to increase play as well. The expenditures continue to be closely monitored with increased efforts to complete projects in-house in order to decrease expenditures for external contractors. The advance payable increased by \$231,682 compared to prior years balance. At September 30, 2018 the balance of the advance in the amount of \$1,993,726 is reflected as long-term advance receivable in the Utility Fund; and long-term advance payable in the Golf Course Fund. In fiscal year 2019 a transfer from the Utility Fund has been budgeted and will continue for subsequent years to reduce advance payable going forward.

NOTE 12 – DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

Governmental funds report deferred inflows in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

At the government-wide financial statements, deferred outflows include deferred charges on refunding of the bonds.

At the fund level financial statements, the City has the following Deferred Inflows of Resources:

	General Fund	Debt Service Fund	Total Deferred Inflows of Resources
Delinquent property taxes, unavailable	<u>\$ 1,022,665</u>	<u>\$ 307,113</u>	<u>\$ 1,329,778</u>

At the government-wide financial statements, the City reports cumulative deferred charges on refundings as deferred outflows of resources in the amount of \$960,478 which is net of cumulative amortization of \$105,809.

Deferred outflows of resources and deferred inflows of resources related to pensions were \$4,767,671 and \$4,410,015, respectively. See Note 16 for details regarding pensions. Deferred outflows of resources related to OPEB plans were \$218,693. See Note 17 for details regarding OPEB plans.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 13 – UNEARNED REVENUES

Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. The following summarizes unearned revenues in governmental activities:

Park dedication fees	\$ 325,498
Grants	42,307
Other	53,863
Total unearned revenue	<u>\$ 421,668</u>

Unearned revenues of \$31,930 in the Golf Course Fund, an enterprise fund, represent collections of annual membership dues that will be recognized as revenue in the next fiscal year.

NOTE 14 – LONG-TERM RECEIVABLE

Long-Term Notes Receivables at September 30, 2018 for the City of Mission are comprised of the following:

Governmental Activities:

Housing Rehab Receivable

Promissory note receivable for housing assistance provided under the Community Development Block Grant (CDBG) program to an ineligible recipient. The principal amount is payable in equal monthly installments of \$200 on the ninth day of each month, beginning November 9, 2007 and continuing until the principal has been paid in full. The final maturity date is January 9, 2026.

Total long-term note receivable	\$ 17,600
Less: current portion	17,600
	(2,400)
	<u>\$ 15,200</u>

NOTE 15 – RESTRICTED ASSETS

A. Primary Government

Business-Type Activities:

The waterworks and sewer system revenue bond indentures require that during the period over which the bonds are outstanding, the City maintain certain separate accounts and funds to account for (1) the proceeds from the issuance of the revenue bonds (2) the debt service deposits made from revenues and (3) extensions and improvement deposits made from revenues. These restricted assets can be used only in accordance with the revenue bond indenture. Similar requirements exist for the debt service of the Public Property Financing Contractual Obligations.

The City also holds certain deposits from subdividers for future utility improvements, and the amount of retainage of certain construction contracts.

CITY OF MISSION, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2018

NOTE 15 – RESTRICTED ASSETS (*Continued*)

Restricted assets included in the Utility Fund as of September 30, 2018 consist of:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>	<u>Total</u>
Revenue bond reserve fund	\$ 388,308	\$ 189,716	\$ 578,024
Bond interest and sinking	288,135	892,094	1,180,229
Cash with fiscal agent	2,870,640	-	2,870,640
Revenue bond extension and improvement fund	125,945	153,828	279,773
Subdividers deposits	840,743	998,225	1,838,968
Capital recovery fund	966,667	480,637	1,447,304
	<u>\$ 5,480,438</u>	<u>\$ 2,714,500</u>	<u>\$ 8,194,938</u>

Restricted assets included in the Golf Course Fund as of September 30, 2018 consist of reserves for capital projects in the amount of \$22,440.

Restricted assets included in the Solid Waste Fund as of September 30, 2018 consist of reserves for capital outlays of \$1,169,465 and debt service in the amount of \$74,992.

A. Mission Economic Development Corporation

Restricted assets held by Mission Economic Development Corporation at September 30, 2018 consisted of Debt Service and Capital Projects in cash and cash equivalents in the amount of \$360,562.

B. Mission Redevelopment Authority

Restricted assets held by Mission Redevelopment Authority at September 30, 2018 consisted of Debt Service Reserves required by the Tax Increment Contract Bonds in the amount of \$3,035,547.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 16 – PENSION PLANS

Plan Descriptions:

The City participates in two defined benefit pension plans. All eligible employees of the City are required to participate in the Texas Municipal Retirement System (TMRS). In addition, the City contributes to the Texas Emergency Services Retirement System (TESRS), which provides benefits to the City's volunteer emergency services personnel. A brief description of each of the pension plans follows:

1. The City of Mission participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.
2. The Texas Emergency Services Retirement System (TESRS) is a cost-sharing multiple employer pension system established and administered by the State of Texas to provide pension, disability and death benefits for emergency services personnel who serve without significant monetary remuneration. The nine member Board of Trustees, appointed by the Governor, establishes policy for the administration of the Texas Emergency Services Retirement System. The TESRS was created as a standalone agency by the 83rd Legislature via the passage of SB 220, effective September 1, 2013, to assume the related functions of the abolished Office of the Fire Fighters' Pension Commissioner. While the agency is new, the System has been in existence since 1977. TESRS, which is under the authority of Title 8, Subtitle H, Chapters 861-865 of the Texas Government Code, provides death and disability benefits to active volunteer fire fighters and first responders, and a pension to members with vested service, as well as to their survivor/beneficiaries. For financial reporting purposes, the State of Texas is considered the primary reporting government. TESRS' financial statements are included in the State's Comprehensive Annual Financial Report. TESRS issues a publicly available Annual Financial Report, which includes financial statements, notes, and required supplementary information, which can be obtained at www.tesrs.org.

Benefits Provided:

TMRS

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Employees can retire at age 60 and above with 5 or more years of service, or with 20 years of service regardless of age. The contribution rate for employees is 6% and the matching percentage for the City is 200%. The City has also adopted 100% updated service credit (USC) on a repeating basis and annuity increases (AI) on a repeating basis, at 70% of the change in the CPI. Employees are vested after 5 years of service.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 16 – PENSION PLANS (*Continued*)

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

TESRS

Senate Bill 411, 65th Legislature, Regular Session (1977), created TESRS and established the applicable benefit provisions. The 79th Legislature, Regular Session (2005), re-codified the provisions and gave the TESRS Board of Trustees authority to establish vesting requirements, contribution levels, benefit formulas, and eligibility requirements by board rule. The benefit provisions include retirement benefits as well as death and disability benefits. Members are 50% vested after the tenth year of service, with the vesting percent increasing 10% for each of the next five years of service so that a member becomes 100% vested with 15 years of service.

Upon reaching age 55, each vested member may retire and receive a monthly pension equal to his vested percent multiplied by six times the governing body's average monthly contribution over the member's years of qualified service. For years of service in excess of 15 years, this monthly benefit is increased at the rate of 6.2% compounded annually. There is no provision for automatic postretirement benefit increases.

On and off-duty death benefits and on-duty disability benefits are dependent on whether or not the member was engaged in the performance of duties at the time of death or disability. Death benefits include a lump sum amount or continuing monthly payments to a member's surviving spouse and dependent children.

Employees covered by benefit terms

As of most recent measurement date of the net pension liability, membership data for the pension plans are as follows:

	<u>TMRS</u>	<u>TESRS</u>
Inactive employees or beneficiaries currently receiving benefits	175	-
Inactive employees entitled to but not yet receiving benefits	296	-
Active employees	<u>676</u>	<u>14</u>
Total participants	<u><u>1,147</u></u>	<u><u>14</u></u>

Contributions:

TMRS

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 16 – PENSION PLANS (*Continued*)

Employees for the City of Mission were required to contribute 6% of their annual gross earnings during the fiscal year. The minimum contribution rates for the City of Mission were 8.58% and 8.51% in calendar years 2018 and 2017, respectively. The City's contributions to TMRS for the year ended September 30, 2018, were \$2,425,326, and were equal to the required contributions.

TESRS

Under TESRS, contributions are made by governing bodies for the participating departments. No contributions are required from the individuals who are members of the System, nor are they allowed. The governing bodies of each participating department are required to make contributions for each month a member performs emergency services for a department (this minimum contribution is \$36 per member and the department may make a higher monthly contribution for its members). This is referred to as a Part One contribution, which is the legacy portion of the System contribution that directly impacts future retiree annuities.

The state is required to contribute an amount necessary to make the System "actuarially sound" each year, which may not exceed one-third of the total of all contributions made by participating governing bodies in a particular year.

The board rule defining contributions was amended in 2014 to add the potential for actuarially determined Part Two contributions that would be required only if the expected future annual contributions from the state are not enough with the Part One contributions to provide an adequate contribution arrangement as determined by the most recent actuarial valuation. This Part Two portion, which is actuarially determined as a percent of the Part One portion (not to exceed 15%), is to be actuarially adjusted near the end of each even-numbered calendar year based on the most recent actuarial valuation. Based on the actuarial valuation as of August 31, 2016, the Part Two contributions were established by the board to be 2% of the Part One contributions beginning September 1, 2017. Based on the August 31, 2018 actuarial valuation, the Part Two contributions are not required for an adequate contribution arrangement.

Additional contributions may be made by governing bodies within two years of joining the System, to grant up to ten years of credit for service per member. Prior service purchased must have occurred before the department began participation in the System.

A small subset of participating departments have a different contribution arrangement which is being phased out over time. Such arrangement funds retirees and beneficiaries that have been in the H.B. 258 Texas Local Fire Fighters Retirement Act (TLFFRA) fund before merging into the S.B. 411. In this arrangement, contributions made in addition to the monthly contributions for active members, are made by local governing bodies on a pay-as-you-go basis for members who were pensioners when their respective departments merged into the System. There is no actuarial impact associated with this arrangement as the pay-as-you-go contributions made by these governing bodies are always equal to benefit payments paid by the System. For the City of Mission, the total additional deposit was \$2,664 for the fiscal year ending September 30, 2018.

The contribution requirement per active emergency services personnel member per month is not actuarially determined. Rather, the minimum contribution provisions were set by board rule, and there is no maximum contribution rate. The City's total contributions to TESRS for the year ending September 30, 2018 totaled \$12,891.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 16 – PENSION PLANS (*Continued*)

Net Pension Liability:

The city's Net Pension Liability (NPL) was measured as of December 31, 2017 for TMRS and August 31, 2016 for TESRS, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of those dates.

Actuarial Assumptions

Schedule of Actuarial Assumptions	TMRS	TESRS
Valuation Date	12/31/17	8/31/18
Actuarial Cost Method	Entry Age Normal	N/A
Amortization Method	Level Percentage of Payroll, Closed	N/A
Remaining Amortization Period	28 years	N/A
Asset Valuation Method	10 Year smoothed market; 15% soft corridor	N/A
Inflation	2.5%	3.00%
Salary Increases	3.5% to 10.5% including inflation	N/A
Investment Rate of Return	6.75%	7.75%, net of pension plan investment expense, including inflation
Retirement Age	Experienced-based table of rates that are specific to the City's plan of benefits.	N/A
Mortality Assumption	RP-2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.	RP-2000 Combined Healthy Lives Mortality Tables for males and for females projected to 2024 by Scale AA

TMRS

For TMRS, actuarial assumptions used in the December 31, 2017 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014, first used in the December 31, 2015 valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2017 valuation.

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

CITY OF MISSION, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2018

NOTE 16 – PENSION PLANS (*Continued*)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.50%	4.55%
International Equity	17.50%	6.35%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.90%
Real Return	10.00%	3.80%
Real Estate	10.00%	4.50%
Absolute Return	10.00%	3.75%
Private Equity	5.00%	7.50%
Total	100%	

TESRS

For TESRS, the long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (3.0%). In addition, the final 7.75% assumption reflected a reduction of 0.26% for adverse deviation. The target allocation and expected arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return (Arithmetic)
Equities:		
Large cap domestic	32.00%	5.81%
Small cap domestic	15.00%	5.92%
Developed International	15.00%	6.21%
Emerging markets	5.00%	7.18%
Master limited partnership	5.00%	7.61%
Real estate	5.00%	4.46%
Fixed income	23.00%	1.61%
Cash	0.00%	0.00%
Total	100%	

CITY OF MISSION, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2018

NOTE 16 – PENSION PLANS (*Continued*)

Discount Rate

TMRS

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

TESRS

The discount rate used to measure the total pension liability was 7.75%. No projection of cash flows was used to determine the discount rate because the August 31, 2018 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 30 years using the conservative level dollar amortization method. Because of the 30-year amortization period with the conservative amortization method, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's net pension liability for the TMRS pension and the City's proportionate share of the net pension liability for the TESRS pension, calculated using the discount rate, as well as what the City's net pension liability and proportionate share of the net pension liability allocated would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease in Discount Rate <u>5.75%</u>	Current Discount Rate <u>6.75%</u>	1% Increase in Discount Rate <u>7.75%</u>
City's Net Pension Liability -			
TMRS	\$20,442,619	\$6,372,571	(\$5,161,433)
	<u>6.75%</u>	<u>7.75%</u>	<u>8.75%</u>
City's Proportionate Share of the Net Pension Liability -			
TESRS	\$115,740	\$58,240	\$19,457

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 16 – PENSION PLANS (*Continued*)

Changes in the Net Pension Liability – TMRS

Changes in the City's net pension liability for the TMRS pension for the fiscal year ended September 30, 2018 are as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 9/30/2016	\$ 84,834,925	\$ 73,408,301	\$ 11,426,624
Changes for the year:			
Service cost	3,574,775	-	3,574,775
Interest	5,754,029	-	5,754,029
Change of benefit terms	-	-	-
Difference between expected and actual experience	(110,717)	-	(110,717)
Change of assumptions	-	-	-
Contributions - employer	-	2,425,326	(2,425,326)
Contributions - employee	-	1,724,168	(1,724,168)
Net investment income	-	10,178,044	(10,178,044)
Benefit payments, including refunds of employee contributions	(2,754,877)	(2,754,877)	-
Administrative expense	-	(52,727)	52,727
Other changes	-	(2,671)	2,671
Net changes	<u>6,463,210</u>	<u>11,517,263</u>	<u>(5,054,053)</u>
Balance at 9/30/2017	<u>\$ 91,298,135</u>	<u>\$ 84,925,564</u>	<u>\$ 6,372,571</u>

City Proportion of Net Pension Liability – TESRS

The City's proportionate share of the net pension liability of the TESRS at September 30, 2018 is \$58,240, and the proportion percentage of the aggregate net pension liability allocated to the City is 0.269%. The City's proportion of the net pension liability was based on actual required contributions of each of the participating departments for the plan's fiscal year.

Pension Plan Fiduciary Net Position

Detailed information about the pension plans' Fiduciary Net Position is available in a separately-issued financial report. The TMRS financial report may be obtained on the Internet at www.tmrs.com. The TESRS financial report may be obtained on the Internet at www.tesrs.org.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2018, the City recognized pension expense of \$2,928,735 for the TMRS pension plan and \$18,462 for the TESRS pension plan for a total pension expense of \$2,947,197.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 16 – PENSION PLANS (*Continued*)

At September 30, 2018, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	TMRS		TESRS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 193,137	\$ 227,628	\$ 16	\$ 168	\$ 193,153	\$ 227,796
Changes in actuarial assumptions	669,314	-	218	-	669,532	-
Differences between projected and actual investment earnings	1,972,870	4,182,388	-	3,219	1,972,870	4,185,607
Contributions subsequent to the measurement date	1,932,117	-	2,717	-	1,934,834	-
Total	<u>\$ 4,767,438</u>	<u>\$ 4,410,016</u>	<u>\$ 2,951</u>	<u>\$ 3,387</u>	<u>\$ 4,770,389</u>	<u>\$ 4,413,403</u>

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of \$1,932,117 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2018 (i.e., recognized in the City's financial statements September 30, 2019). The remaining deferred outflows and (inflows) of resources related to pensions will be amortized and recognized in pension expense as follows:

Year ending September 30,	TMRS	TESRS
2019	\$ 223,762	\$ 3,753
2020	66,684	(2,088)
2021	(870,438)	(3,073)
2022	(980,550)	(1,745)
2023	(14,153)	-
Thereafter	-	-
	<u>\$ (1,574,695)</u>	<u>\$ (3,153)</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 17 – OTHER POST EMPLOYMENT BENEFITS

Plan Descriptions:

The City participates in two other post employment benefit plans which include post retirement health care benefits and supplemental death benefits. A brief description of each of the other post employment benefit plans follows:

1. City of Mission, Texas Healthcare Plan (THP) is a single-employer defined benefit healthcare plan administered by the City of Mission. The plan covers health insurance benefits. Eligible City retirees and their dependents may continue health care coverage through the City for up to 24 months after retirement from the City. The City pays 100% of the employee's premiums for retirees who complete 25 years of service. Employees who do not meet the 25 years of service are required to pay for coverage for themselves at 100% after retirement. All employees pay 100% of the dependent coverage. The City does not issue separate audited financial statements for the postemployment benefit plan.
2. The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1st of any year to be effective the following January 1st.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmrs.com.

The City offers supplemental death benefits to:

	<u>Plan Year 2018</u>	<u>Plan Year 2017</u>
Active employees	Yes	Yes
Retirees	Yes	Yes

Employees Covered by Benefit Terms

The most recent measurement dates for THP and SDBF were September 30, 2018 and December 31, 2017, respectively. As of the most recent measurement date, measurement for the plans were as follows:

	<u>THP</u>	<u>SDBF</u>
Inactive employees or beneficiaries currently receiving benefits	14	128
Inactive employees entitled to but not yet receiving benefits	-	47
Active employees	<u>452</u>	<u>676</u>
Total	<u>466</u>	<u>851</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 17 – OTHER POST EMPLOYMENT BENEFITS (*Continued*)

Total OPEB Liability

The City's total OPEB liability of \$4,770,995 for THP was measured as of September 30, 2018. The City's total OPEB liability of \$1,112,022 for SDBF was measured as of December 31, 2017. The total OPEB liability for each plan was determined by an actuarial valuation as of their respective measurement date. Total OPEB liability for both plans was \$5,883,017 at September 30, 2018.

Actuarial Assumptions and Other Inputs

THP

The Total OPEB liability in the September 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Schedule of Actuarial Assumptions

Measurement Date	September 30, 2018
Actuarial Valuation Date	September 30, 2018
Inflation	2.5%
Salary Increases	2.5%
Discount Rate	3.73%
Prior Year Discount Rate	N/A
Health Care Cost Trend Rates:	Rates were developed using the baseline projection of the SoA Long-Run Medical Cost Trend Model and the following model input variables:
Rate of Inflation	2.5%
Rate of Growth in Real Income	1.5%
Excess Medical Cost Growth	1.2%
Health Share of GDP in 2027	20.50%
Health Share of GDP Resistance Point	25.00%
Year for Limiting Cost Growth to GDP Growth	2075

The discount rate was based on an average of the September 30, 2018 S&P Municipal Bond 20-Year High Grade Rate Index and the Fidelity General Obligation AA 20-Year Yield.

Mortality rates for active employees were based on the RPH-2014 Employee Mortality Table, Generational with Projection Scale MP-2018 for males or females, as appropriate.

Mortality rates for retirees were based on the RPH-2014 Healthy Annuitant Mortality Table, Generational with Projection Scale MP-2018 for males or females, as appropriate.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 17 – OTHER POST EMPLOYMENT BENEFITS (*Continued*)

*Actuarial Assumptions and Other Inputs (*Continued*)*

SDBF

The Total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Schedule of Actuarial Assumptions

Measurement Date	December 31, 2017
Actuarial Valuation Date	December 31, 2017
Inflation	2.5%
Salary Increases	3.5% to 10.5% including inflation
Discount Rate	3.31%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates – service retirees	PR2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.
Mortality rates – disabled retirees	PR2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2017.

CITY OF MISSION, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2018

NOTE 17 – OTHER POST EMPLOYMENT BENEFITS (*Continued*)

Changes in the total OPEB Liability

Changes in the total OPEB liability were as follows:

	THP
Balance at 9/30/2017	\$ 4,639,194
Changes for the year:	
Service cost	109,235
Interest	173,867
Difference between expected and actual experience	194,658
Changes in assumptions/inputs	-
Change in benefit terms	-
Benefit payments	(345,959)
Administrative expense	-
Net changes	<u>131,801</u>
Balance at 9/30/2018	<u>\$ 4,770,995</u>
	SDBF
Total OPEB liability - beginning of year (12/31/2016)	\$ 916,209
Changes for the year:	
Service cost	68,967
Interest	35,828
Difference between expected and actual experience	-
Changes in assumptions/inputs	96,765
Change in benefit terms	-
Benefit payments	(5,747)
Administrative expense	-
Net changes	<u>195,813</u>
Balance end of year (12/31/2017)	<u>\$ 1,112,022</u>
Total OPEB liability including THP and SDBF	<u>\$ 5,883,017</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 17 – OTHER POST EMPLOYMENT BENEFITS (*Continued*)

Sensitivity of the total OPEB Liability to changes in the discount rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate.

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
Total OPEB liability (THP)	\$ 5,385,816	\$ 4,770,995	\$ 4,240,864
Total OPEB liability (SDBF)	1,360,832	1,112,022	918,620
Total OPEB liability	\$ 6,746,648	\$ 5,883,017	\$ 5,159,484

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates.

	1% Decrease in Healthcare Cost Trend Rates	Current Healthcare Cost Trend Rates	1% Increase in Healthcare Cost Trend Rates
Total OPEB Liability (THP)	\$ 4,207,020	\$ 4,770,995	\$ 5,433,411

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2018, the City recognized OPEB expense of \$347,988 and \$117,169 for THP and SDBF, respectively. At September 30, 2018, the City reported deferred outflows of resources related to OPEB from the following sources:

	THP		SDBF		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 129,772	\$ -	\$ -	\$ -	\$ 129,772	\$ -
Changes in actuarial assumptions or inputs	-	-	84,391	-	84,391	-
Employer amounts for OPEB subsequent to measurement date	-	-	4,530	-	4,530	-
Total	\$ 129,772	\$ -	\$ 88,921	\$ -	\$ 218,693	\$ -

CITY OF MISSION, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2018

NOTE 17 – OTHER POST EMPLOYMENT BENEFITS (*Continued*)

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB
(Continued)

Deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date of \$4,530 will be recognized as a reduction of total OPEB liability for the measurement year ending December 31, 2018 (i.e., recognized in the City's financial statements as of September 30, 2019). The remaining deferred outflows (inflows) of resources related to pensions will be amortized and recognized in OPEB expense as follows:

Year ending September 30,	THP	SDBF
2018	\$ -	\$ 12,374
2019	64,886	12,374
2020	64,886	12,374
2021	-	12,374
2022	-	12,374
2023	-	12,374
Thereafter	-	10,147
	<hr/> <hr/> \$ 129,772	<hr/> <hr/> \$ 84,391

NOTE 18 – CONTINGENT LIABILITIES

A. Litigation

The City is currently a defendant in various lawsuits. Although the City plans to contest the suits, it is the opinion of management and its outside attorneys that the possible outcome of the lawsuits and an estimate of the loss, if any, cannot presently be determined.

B. Federally Assisted Grant Programs

The City participates in several Federal and State assisted grant programs. Although the City grant programs have been audited in accordance with the provisions of the Single Audit Act, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 19 – CONSTRUCTION AND IMPROVEMENT COMMITMENTS

At September 30, 2018, the City had several active construction projects. The projects include renovation of parks and improvements of infrastructure.

A. Primary Government

Project	Total Contract Amount	Spent to Date	Remaining Commitment
Inspiration Rd US 83 Exp N to Mile 3	\$ 11,281,166	\$ 11,231,995	\$ 49,171
Taylor Rd US 83 Exp to N Dove	4,735,592	4,063,681	671,911
Madero International Bridge	1,276,483	980,082	296,401
Mission Tennis Center	2,018,400	118,751	1,899,649
Drainage Improvement for Erma St.	417,002	30,000	387,002
N.WWTP 4.5MGD Expansion Project	16,496,556	16,446,156	50,400
Water Tower - Bus 83/Glasscock	2,000,000	103,141	1,896,859
Mission Event Center Water Tower	<u>2,300,000</u>	<u>1,865,802</u>	<u>434,198</u>
	<u><u>\$ 40,525,199</u></u>	<u><u>\$ 34,839,608</u></u>	<u><u>\$ 5,685,591</u></u>

The City has entered into several Advance Funding Agreements (AFA's) with the Texas Department of Transportation to fund various road widening and improvement projects within the City limits. These AFA's commit state or federal resources to the projects and require participation of the City in the cost of the projects. The City has signed engineering contracts in relation to these AFA's and the commitments under such contracts are reflected in the commitment summary noted above.

NOTE 20 – OPERATING LEASE COMMITMENTS

A. Primary Government

The City leases office equipment and golf carts under operating leases. Total costs for such leases were \$127,880 for the year ended September 30, 2018. The future minimum lease payments for these leases are as follows:

September 30,	
2019	\$ 135,896
2020	68,237
2021	11,075
Total	<u><u>\$ 215,208</u></u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 21 – CAPITAL LEASE COMMITMENTS

A. Primary Government

The City entered into lease agreements as a lessee for financing the acquisition of equipment for the golf course owned by the City reflected under business-type activities. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments totaling \$252,876 at the inception date. Depreciation expense for the equipment totaled \$33,853 for the year ended September 30, 2018. The equipment and related depreciation is included in Note 6.

The City entered into a lease agreement as a lease for financing the acquisition of a fire pumper truck under governmental activities. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments totaling \$530,306 at the inception date. Depreciation expense for the fire pumper truck totaled \$2,210 for the year ended September 30, 2018.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2018 are as follows:

<u>September 30,</u>	
2019	\$ 132,958
2020	132,958
2021	91,781
2022	83,544
2023	83,544
Thereafter	<u>83,544</u>
Total minimum lease payments	<u>608,329</u>
Less interest:	<u>(49,569)</u>
Present value of minimum lease payments	<u>\$ 558,760</u>

B. Mission Economic Development Corporation

MEDC leases a 55,000 square foot facility under a lease agreement classified as a capital lease. The facility is used as the Center for Education and Economic Development (CEED). The lease was recorded at the present value of their future minimum lease payments totaling \$9,268,541 at the inception date. Depreciation expense for the building totaled \$416,173 for the year ended September 30, 2018. The building and related depreciation is included in Note 6.

CITY OF MISSION, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2018

NOTE 21 – CAPITAL LEASE COMMITMENTS (*Continued*)

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2018 are as follows:

<u>September 30,</u>	
2019	\$ 660,000
2020	660,000
2021	660,000
2022	660,000
2023	660,000
Thereafter	<u>8,387,500</u>
Total minimum lease payments	11,687,500
Less interest:	<u>(3,186,806)</u>
Present value of minimum lease payments	<u>\$ 8,500,694</u>

NOTE 22 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City carried commercial insurance. There have been no reductions in insurance coverage from the previous year; no negative statements or jury awards have exceeded insurance coverage in any of the past three years.

The City established a limited risk management program for workers' compensation and health insurance in a previous year. Effective December 1, 1996, the City became fully insured for workers compensation insurance through a conventional policy. The City's health insurance program is self-funded.

Health insurance premiums are paid into the Internal Service Fund by all other funds and are available to pay health claims and administrative costs of the program including costs associated with wellness programs. Inter-fund premiums are based primarily on claims experience and are reported as quasi-external transactions.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Health liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claims liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of pay-outs and other economic and social factors.

The following is a reconciliation of the claims liability:

	2018	2017
Unpaid claims, beginning of fiscal year	\$ 331,118	\$ 242,417
Incurred claims and adjustments	4,506,661	3,987,952
Claims payments	<u>(4,693,912)</u>	<u>(3,899,251)</u>
Unpaid claims (IBNRs), end of fiscal year	<u>\$ 143,867</u>	<u>\$ 331,118</u>

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 23 – COMPONENT UNIT TRANSACTIONS

A. The City's economic development activities via City Council Resolution delegated all economic development activities to MEDC.

City of Mission provides personnel services to carry out the daily operating activities of MEDC. MEDC does not reimburse the City of Mission for the services provided as well as accounting and overhead costs. However, during the year ended September 30, 2018, MEDC paid the City of Mission \$1,000,000 to help offset the debt service for the 2017 construction of the Mission Events Center.

The President of the board of directors for MEDC is also the President of Lone Star National Bank. On May 31, 2016, MEDC obtained a loan from Lone Star National Bank. At September 30, 2018, the balance outstanding on the note was \$1,702,875.

B. During the year ended September 30, 2018 Mission Redevelopment Authority reimbursed the City for costs incurred related to various projects in the amount of \$5,330,483. At September 30, 2018, the MRA owed the City \$3,138 for administrative costs. Additionally, the City owed MRA \$62,768 for property taxes collected but not yet remitted.

NOTE 24 – CONDUIT DEBT OBLIGATIONS

Mission Economic Development Corporation (the "Issuer") pursuant to Texas Civil Statutes Article 5190.6(the "Act"), and the Industrial Revenue Bond Program (the "Rules"), Title 10 Texas Administrative Code Chapter 180, promulgated by the Office of the Governor, Economic Development and Tourism Division (the "Division") has issued the following Industrial Development Bonds to finance various projects in the State of Texas:

	<u>Balance at September 30, 2018</u>
\$6,000,000 Mission Economic Development Corporation Variable Rate Demand Industrial Development Revenue Bonds (CMI Project) Series 2007	\$ 4,170,000
\$40,200,000 Mission Economic Development Corporation Solid Waste Disposal Revenue Bonds (Dallas Clean Energy McCommas Bluff Project) Series 2011	24,450,000
\$48,000,000 Mission Economic Development Corporation Water Supply Revenue Bonds (Enviro Water Minerals Project), Series 2015 (Green Bonds)	47,700,000
\$50,000,000 Mission Economic Development Corporation Senior Lien Revenue Bonds (Natgasoline Project) Series 2016A	50,000,000
\$202,885,000 Mission Economic Development Corporation Senior Lien Revenue Bonds (Natgasoline Project) Series 2016B	202,885,000

CITY OF MISSION, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2018

NOTE 24 – CONDUIT DEBT OBLIGATIONS (*Continued*)

	<u>Balance at September 30, 2018</u>
\$9,000,000 Mission Economic Development Corporation Taxable Power Purchase Agreement Revenue Bonds (Nelson Gardens Energy, LLC Project) Series 2013	8,485,000
\$56,200,000 Mission Economic Development Corporation Solid Waste Disposal Revenue Bonds (Allied Waste North America, Inc. Project) Series 2008A	56,200,000
\$56,800,000 Mission Economic Development Corporation Solid Waste Disposal Revenue Refunding Bonds (Republic Services, Inc. Project) Series 2012	56,800,000
\$41,750,000 Mission Economic Development Corporation Solid Waste Disposal Revenue Refunding Bonds (Waste Management, Inc. Project) Series 2006	41,750,000
\$67,000,000 Mission Economic Development Corporation Solid Waste Disposal Revenue Bonds (Waste Management, Inc. Project) Series 2008	67,000,000
\$50,000,000 Mission Economic Development Corporation Solid Waste Disposal Revenue Bonds (CarbonLITE Recycling, LLC Project) Series 2016	50,000,000
	<hr/> <u>\$ 609,440,000</u>

All of the bonds listed above are payable solely from, and secured solely by a pledge of payments made under loan agreements between the borrowers and MEDC which are assigned under separate Trust Indentures with various banks. The payments required under the loan agreement are further guaranteed under either Guaranty Agreements or Irrevocable Letters of Credit issued in favor of the Trustee under the Trust Indenture.

Neither the State of Texas, Mission, Texas nor any political corporation, subdivision or agency of the State of Texas shall be obligated to pay the principal of, premium, if any, the interest on, or the purchase price of the bonds, and neither the faith and credit nor the taxing power of the State of Texas, Mission, Texas or any other political corporation, subdivision, or agency thereof is pledged to the payment of the principal of, premium, if any, interest on, or the purchase price of the bonds.

In connection with the process which ultimately may lead to the issuance of conduit debt, MEDC charges an application fee of \$2,500 per application. During the year ended September 30, 2018, there were no applications submitted.

Upon issuance of conduit debt, an issuance fee is assessed based on the terms of the agreements.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 24 – CONDUIT DEBT OBLIGATIONS (*Continued*)

After conduit debt has been issued, MEDC charges an annual fee based upon the original par value of the bonds, which ranges from 2 basis points to 5 basis points depending on the type of project and the rating of the bonds being issued. For the year ended September 30, 2018, MEDC received \$232,060 of which \$116,030 was paid to the advisor for local access fees.

NOTE 25 – COMPLIANCE WITH REVENUE BOND COVENANTS

A. Certain Required Annual Disclosure

The bond covenants of the Utility Fund revenues bonds require that on an annual basis the City of Mission make available certain disclosures related to the operation of the Utility Fund. A separate report containing these required disclosures is available at City Hall.

B. Revenue Bond Coverage

Per the Revenue Bond debt covenants, the City's Utility Fund is required to maintain a 125% coverage over the succeeding fiscal year's debt service requirement (first lien bonds); or 125% over the greater of the average annual debt service requirements or the succeeding fiscal year's debt service requirements (junior lien bonds). For the fiscal year ended September 30, 2018 the City's Utility Fund met these coverage requirements.

NOTE 26 – TAX INCREMENT REINVESTMENT ZONE

On September 24, 2001, the City established a Tax Increment Reinvestment Zone Number One (TIRZ) pursuant to Chapter 311 of the Texas Tax Code. The zone was formed to facilitate the provision of public works or improvements. A portion of the real property advalorem taxes levied by participating taxing entities is set aside for this purpose beginning with taxes levied after January 1, 2002 tax levies. The amount set aside out of the annually adopted tax levy, is based upon the appraised value each January 1st compared to the base year appraised value of property in the zone as of January 1, 2001. The City of Mission and Hidalgo County are the only taxing entities participating in the Increment Zone. The City accounts for TIRZ as a Special Revenue Fund.

Effective October 1, 2008 the City elected to transfer only the amounts of the tax increment which has been collected for the Tax Increment Reinvestment Zone 1. Hidalgo County also elected, to transfer to the Zone only the amount of the tax increment actually collected each year. For the current year the amounts transferred were \$2,711,868 and \$2,540,523 from the County and City respectively.

NOTE 27 – INTEREST IN INTERNATIONAL TOLL BRIDGE

Pursuant to the Hidalgo-Mission-McAllen Interlocal Government Agreement, dated April 1, 2003 ("2003 Agreement"), the City of McAllen, Texas and the City of Mission, Texas own and operate the Anzalduas International Crossing ("Anzalduas Bridge") linking United States, south of the City of Mission, Texas and the westernmost part of the city of Reynosa, Tamaulipas, Mexico. According to that agreement, the ownership interest of the City of McAllen and the City of Mission are 66 2/3% and 33 1/3%, respectively.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 27 – INTEREST IN INTERNATIONAL TOLL BRIDGE (*Continued*)

The agreement also provides that complete management and control of the Anzalduas Bridge, with the exception of fixing rates and charges for services and the issuance of debt, which is reserved by the Board of Commissioners of McAllen, shall be vested in a Board of Trustees consisting of five (5) voting-members, two of which are appointed from the existing members of the Hidalgo Bridge Board by McAllen, with the Mayors of the cities of McAllen, Hidalgo and Mission serving as ex-officio Board members. The Mayor of Granjeno also serves as an ex-officio non-voting member of the Board. In addition, the budget is subject to final approval by the Board of Commissioners of McAllen.

The agreements also provide that these cities as well as the City of Hidalgo will share in the unallocated balance of surplus net revenues at the following percentages: City of McAllen, 44%; City of Mission, 23%; and the City of Hidalgo, 33%. Per separate interlocal agreement, the City of Mission will share 6% of its portion of the unallocated balance of surplus net revenues with the City of Granjeno, Texas.

In order to finance the construction of the Anzalduas Bridge, the City of McAllen issued \$39,160,000 in revenue bonds during fiscal year ending 2007 in two separate series, \$26,000,000 Series 2007A and \$13,160,000 Series B. The Bonds are secured by a pledge of net revenues of the McAllen International Toll Bridge (“Hidalgo Bridge”), located in Hidalgo, Texas and the Anzalduas Bridge. According to the 2003 Agreement, both the City of McAllen and the City of Hidalgo are responsible for the Series 2007A bonds from each city’s respective share of net revenues of the Hidalgo Bridge. The City of McAllen is responsible for Series 2007B bonds from its share of net revenues of the Hidalgo Bridge as well as the City of Mission from its share of net revenues of the Anzalduas Bridge. Commencement of operations was December 15, 2009.

Per the agreement, the City of Mission was not required to make any capital contributions to obtain its ownership interest; therefore no dollar amount is reflected in these financial statements as representing its ownership interest.

However, until sufficient excess revenues as defined in the Interlocal Agreement are available, the debt service costs related to Series 2007B Bonds as noted above are being advanced to Anzalduas Bridge Fund from the City of McAllen’s General Fund, including an allocated amount being advanced on behalf of the City of Mission by the City of McAllen. As of September 30, 2018, the amount advanced since the inception for the City of Mission is 3,226,076 and is reflected as part of non-current liabilities due in more than one year in the Statement of Net Position. See also Note 9.

NOTE 28 – COMPLIANCE AND ACCOUNTABILITY

A. Finance – Related Legal and Contractual Provision

In accordance with GASB Statement No. 38, “Certain Financial Statement Note Disclosures”, violations of finance related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 28 – COMPLIANCE AND ACCOUNTABILITY (*Continued*)

Expenditures Exceeding Appropriations

During the year ended September 30, 2018 the City complied with the budgetary requirements for the General Fund.

Deficit Fund Balance or Fund Net Position of Individual Funds:

The following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

Fund Name	Deficit Amount	Remarks
Not applicable	N/A	N/A

Mission Economic Development Corporation

A net position deficit exists in the amount of \$2,030,102 for the year ended September 30, 2018. MEDC's general fund reported a deficit of \$602,812. MEDC intends to sell land in fiscal year 2019. The proceeds from the sale of the land is expected to eliminate these deficits. Additionally, management is working diligently to increase revenues and decrease costs.

Mission Redevelopment Authority

A net position deficit exists in the amount of \$8,085,680 for year ended September 30, 2018. This deficit is due to MRA issuing debt to pay for facilities that were conveyed, or will be conveyed, to the City or the State of Texas. MRA anticipates that with the expected development in the area, tax increment revenues will be sufficient to cover operating costs of MRA and to service the outstanding debt.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 29 – FUND BALANCES

At September 30, 2018 the City of Mission has classified its fund balances with the following hierarchy:

Assigned – The City Council has assigned resources for the purpose of meeting subsequent year's budget-appropriation of fund balance. In addition, resources have been assigned for the purpose of payment of certain capital asset replacements needed, and for funds to be used for various programs to be conducted by the Boy's and Girl's Club.

Unassigned – Unassigned fund balance has no constraints on its use.

	General Fund	Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Fund balances:				
Nonspendable:				
Long term receivable	\$ 17,600	\$ -	\$ -	\$ 17,600
Inventory	33,552	-	-	33,552
Prepaid	23,025	-	-	23,025
Restricted:				
Capital improvements	-	-	6,406	6,406
Debt service	-	968,906	-	968,906
Municipal Courts				
Technology	-	-	182,519	182,519
Building security	-	-	91,631	91,631
Juvenile case manager	-	-	159,458	159,458
PD asset sharing	-	-	357,076	357,076
Drainage improvements	-	-	1,887,594	1,887,594
Scholarships and books	-	-	26,256	26,256
Tourism	-	-	799,252	799,252
Perpetual care	-	-	39,203	39,203
Records preservation	-	-	8,344	8,344
PEG	-	-	622,170	622,170
Economic development	-	-	1,131,870	1,131,870
Tax increment	-	-	3,553	3,553
MEDA- land for resale	-	-	533,767	533,767
Assigned:				
Asset replacement	65,945	-	-	65,945
Subsequent year's budget-appropriation of fund balance	3,644,497	-	-	3,644,497
Unassigned	<u>(477,004)</u>	<u>-</u>	<u>-</u>	<u>(477,004)</u>
Total fund balances	<u>\$ 3,307,615</u>	<u>\$ 968,906</u>	<u>\$ 5,849,099</u>	<u>\$ 10,125,620</u>

Needs to be updated since changes were made to nonspendable category. Make sure this reconciles to financial statements.

CITY OF MISSION, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2018

NOTE 29 – FUND BALANCES (*Continued*)

Encumbrances

Encumbrance accounting is employed as an extension of formal budgetary integration for the general fund, special revenue funds, and capital projects funds. Certain amounts which were classified as restricted, committed or assigned for specific purposes have been encumbered in the governmental funds. Significant encumbrances included in governmental fund balance are as follows:

General fund - assigned	\$ 2,340,039
Other governmental funds	<u>3,453,734</u>
	<u><u>\$ 5,793,773</u></u>

NOTE 30 – COMMITMENTS

A. Mission Economic Development Corporation

MEDC has published notices of intent and its Board of Directors has committed funds for the following projects:

Incentives	Committed	Expended to Date	Remaining
			Commitment
Southwest Steel Coil	\$ 450,000	\$ -	\$ 450,000
Wonderful Citrus	3,000,000	900,000	2,100,000
Metal Processing International	55,000	-	55,000
Total	<u>\$ 3,505,000</u>	<u>\$ 900,000</u>	<u>\$ 2,605,000</u>

B. Mission Redevelopment Authority

For the year ended September 30, 2018, the Authority has the following engineering contracts commitments:

- 1) The Military Highway and Inspiration Road Expansion Project; \$931,381 remaining.
- 2) The Bentsen Palms Lift Station Project; \$18,995 remaining.
- 3) Reimbursement Agreement for the construction of Mission Event Center; \$500,000 is committed for fiscal year ending 2019.
- 4) The Police and Fire Substation at Schuerbach & Military Roads; \$3.7 million remaining.
- 5) The design and construction of a water tower located in the vicinity of the special events center; \$243,978 remaining.
- 6) Reimbursement agreement for the Anzalduas Highway Wastewater and Water Trunklines Project; \$2,291,112 remaining.

CITY OF MISSION, TEXAS
 NOTES TO FINANCIAL STATEMENTS
 September 30, 2018

NOTE 31 – REDEVELOPMENT ASSETS

Mission Redevelopment Authority

Redevelopment assets include engineering and design costs for various road improvement and infrastructure related projects. The changes in redevelopment assets for the year ended September 30, 2018 are as follows:

Redevelopment Projects	Balance 10/1/2017	Increase	Decrease	Balance 9/30/2018
US 83 Overpass at Inspiration Road-Phase I	\$ 339,750	\$ -	\$ -	\$ 339,750
US 83 Overpass at Inspiration Road-Phase II	1,856,962	-	-	1,856,962
US 83 Overpass at Inspiration Road-Phase III	141,344	1,250	-	142,594
Military Highway West Wastewater & Water Trunklines	83,948	-	-	83,948
Anzalduas Lift Stations	<u>346,380</u>	<u>-</u>	<u>-</u>	<u>346,380</u>
 Total Redevelopment Assets	 <u>\$ 2,768,384</u>	<u>\$ 1,250</u>	<u>\$ -</u>	<u>\$ 2,769,634</u>

During the fiscal year, the Authority recorded redevelopment expenditures as follows:

Bentsen Palms Lift Station	\$ 266,005
Mission Water Tower	1,432,636
Rail Project	100,000
Event Center	500,000
Military and Inspiration Expansion	368,617
Anzalduas Phase 2	<u>2,663,225</u>
 	 <u>\$ 5,330,483</u>

The reimbursements represents payments to the City of Mission for redevelopment projects managed by the City.

NOTE 32 – LAND HELD FOR RESALE

The City through its blended component unit, Mission Economic Development Authority holds commercial real estate lots available for sale within an economically depressed area. At September 30, 2018 the remaining properties are stated at a cost of \$558,767, which is less than their estimated fair value. These lots will continue to be sold to attract development to further benefit the City.

CITY OF MISSION, TEXAS
NOTES TO FINANCIAL STATEMENTS
September 30, 2018

NOTE 33 – PRIOR PERIOD ADJUSTMENTS

Net position as of October 1, 2017 was restated as follows:

	Governmental Activities	Business-type Activities
Beginning net position, as previously reported	\$ 106,446,447	\$ 68,774,918
Implementation of GASB 75 for OPEB	(3,570,238)	(872,331)
Beginning net position, as restated	<u>\$ 102,876,209</u>	<u>\$ 67,902,587</u>

NOTE 34 – SUBSEQUENT EVENTS

For the purposes of reporting subsequent events, management has considered events occurring up to April 11, 2019, the date the report was available to be issued. No further subsequent events were noted.

Subsequent to year end, the following event or transaction occurred.

On October 24, 2018, MEDC entered into a loan agreement with BBVA Compass Bank for the purchase of the Center of Education and Economic Development (CEED) building. Prior to being purchased, the building was being leased as described in note 9. The principal amount payable under the loan agreement totaled \$7,919,131 with a fixed rate equal to 4.82% per annum calculated on a per annum basis of 360-day year. Principal of \$395,957 is payable annually on February 15th, commencing on February 15, 2019 and continuing regularly thereafter until loan reaches maturity on February 15, 2038. Interest payments ranging from \$9,543 to \$181,309 are due on the 15th day of February and August commencing on February 15, 2019 through 2038.



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*REQUIRED
SUPPLEMENTARY
INFORMATION*



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CITY OF MISSION, TEXAS**GENERAL FUND****BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Taxes:				
Ad valorem taxes:				
Current ad valorem taxes	\$ 16,460,000	\$ 16,460,000	\$ 16,209,519	\$ (250,481)
Delinquent ad valorem taxes	443,000	443,000	505,713	62,713
Interest and penalties on taxes	<u>340,000</u>	<u>340,000</u>	<u>341,225</u>	<u>1,225</u>
Net Ad Valorem Tax Revenue	<u>17,243,000</u>	<u>17,243,000</u>	<u>17,056,457</u>	<u>(186,543)</u>
Sales tax	7,825,000	7,825,000	7,727,852	(97,148)
Sales tax-tax abatement	3,912,500	3,912,500	3,863,926	(48,574)
Franchise business tax	2,450,000	2,450,000	2,606,220	156,220
Telecommunication access fee	217,000	217,000	201,103	(15,897)
Mixed drink tax	<u>30,000</u>	<u>30,000</u>	<u>24,518</u>	<u>(5,482)</u>
Total Taxes	<u>31,677,500</u>	<u>31,677,500</u>	<u>31,480,076</u>	<u>(197,424)</u>
Licenses and permits:				
Occupational licenses	50,000	50,000	26,760	(23,240)
Moving and building permits	305,000	305,000	256,977	(48,023)
Health permits	30,000	30,000	31,126	1,126
Electrical permits	75,000	75,000	81,335	6,335
Mechanical permits	40,000	40,000	32,375	(7,625)
Plumbing permits	60,000	60,000	60,684	684
Alarm permits	12,000	12,000	9,620	(2,380)
Miscellaneous	<u>35,000</u>	<u>35,000</u>	<u>29,668</u>	<u>(5,332)</u>
Total Licenses and Permits	<u>607,000</u>	<u>607,000</u>	<u>528,545</u>	<u>(78,455)</u>
Intergovernmental:				
MCISD and SISD Dare Program	669,360	669,360	684,717	15,357
Reimb.-Hidalgo Co.-Taylor Rd.	963,871	963,871	151,197	(812,674)
Reimb.-City of McAllen-Taylor Rd.	<u>1,544,973</u>	<u>1,544,973</u>	<u>89,230</u>	<u>(1,455,743)</u>
Reimb.-Mcallen Bridge Board	30,000	30,000	30,000	-
County contribution-rural fires	40,000	40,000	30,380	(9,620)
County restitution reimbursement	1,500	1,500	726	(774)
Overhead-MRA	253,506	253,506	262,620	9,114
TIRZ Reimbursement	500,000	500,000	500,000	-
FEMA reimbursement	-	-	72,660	72,660
FBI overtime	-	-	420	420
Task Force	25,000	25,000	34,753	9,753
Peace Officers Fire Prev.	1,000	1,000	1,028	28
DEA Overtime Task Force	32,000	32,000	30,512	(1,488)
Hidalgo County-library	<u>29,983</u>	<u>104,983</u>	<u>89,983</u>	<u>(15,000)</u>
Total Intergovernmental	<u>4,091,193</u>	<u>4,166,193</u>	<u>1,978,226</u>	<u>(2,187,967)</u>

CITY OF MISSION, TEXAS**GENERAL FUND****BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Charges for services:				
Birth certificate service	1,100	1,100	1,073	(27)
Inspection fee-2%	35,000	35,000	74,267	39,267
Construction material testing fee	25,000	25,000	27,216	2,216
Fire inspection fee	22,000	22,000	23,351	1,351
Judicial fee-City	5,500	5,500	3,622	(1,878)
Corporation court fines tax	50,000	50,000	34,174	(15,826)
Abandoned motor vehicle fee	2,500	2,500	2,120	(380)
Library reservations fee	60	60	250	190
Lot cleaning	50,000	50,000	80,765	30,765
Lot cleaning-admin. Fee	20,000	20,000	34,534	14,534
Lease-service center complex	20,400	20,400	21,768	1,368
Library copies	35,000	35,000	35,180	180
Rent-City buildings	6,000	6,000	14,681	8,681
Basketball fees & charges	8,500	8,500	2,693	(5,807)
Softball fees & charges	11,000	11,000	4,150	(6,850)
Football fees & charges	7,500	7,500	1,500	(6,000)
Kickball fees & charges	2,400	2,400	-	(2,400)
Volleyball fees & charges	4,100	4,100	5,034	934
Park facility rentals	20,000	20,000	29,109	9,109
Other recreational fees	3,000	3,000	2,320	(680)
Bannworth pool fees	50,000	50,000	45,006	(4,994)
Mayberry pool fees	40,000	40,000	43,683	3,683
TAAF summer programs	20,000	20,000	23,867	3,867
Year-round swim program	-	-	6,025	6,025
Library rentals	75	75	280	205
Cemetery charges	80,000	80,000	88,895	8,895
Vital statistics	120,000	120,000	110,563	(9,437)
Burial transit permit	1,000	1,000	786	(214)
Animal adoption fees	-	-	1,510	1,510
Animal control & shelter fee	3,000	3,000	3,514	514
Contracted animal service fee	45,000	45,000	42,090	(2,910)
Zoning and subdivision fees	40,000	40,000	39,768	(232)
ROW annual tower fees	-	-	1,250	1,250
5% credit card fee	11,000	11,000	13,384	2,384
Food manager/handler ID fee	18,000	18,000	17,870	(130)
Arrest fees-M.P.D.	46,000	46,000	30,781	(15,219)
Truancy prevention & diversion	5,000	5,000	5,600	600
Police Dept. service charges	8,000	8,000	6,278	(1,722)
Total Charges for Services	<u>816,135</u>	<u>816,135</u>	<u>878,957</u>	<u>62,822</u>

CITY OF MISSION, TEXAS**GENERAL FUND****BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Fines:				
Corporation court fines	690,000	690,000	528,210	(161,790)
Warrant execution fee	155,000	155,000	112,603	(42,397)
Library fines	10,000	10,000	20,837	10,837
Total Fines	<u>855,000</u>	<u>855,000</u>	<u>661,650</u>	<u>(193,350)</u>
Interest:				
Interest earned on investments	35,000	35,000	61,821	26,821
Interest earned on demand deposits	10,000	10,000	5,692	(4,308)
Total Interest	<u>45,000</u>	<u>45,000</u>	<u>67,513</u>	<u>22,513</u>
Miscellaneous:				
Reimb.-TX Citrus Fiesta	42,000	42,000	52,502	10,502
Reimb.-Other state agencies	50,000	50,000	-	(50,000)
Child safety fees	10,000	10,000	5,192	(4,808)
Library donations/memorial	200	200	545	345
Insurance settlement	25,000	25,000	83,815	58,815
Miscellaneous income	50,000	50,000	83,661	33,661
Coke machine & vending machines	2,000	2,000	4,281	2,281
Street lights reimbursement	-	-	-	-
Street signs reimbursement	1,000	1,000	-	(1,000)
Subdividers reimb.-streets	-	-	263,002	263,002
Universal service fund rebate	37,240	37,240	22,257	(14,983)
Reimbursement-MEDC	1,000,000	1,000,000	1,000,000	-
Contribution and donations	500	500	-	(500)
Total Miscellaneous	<u>1,217,940</u>	<u>1,217,940</u>	<u>1,515,255</u>	<u>297,315</u>
Total Revenues	<u>39,309,768</u>	<u>39,384,768</u>	<u>37,110,222</u>	<u>(2,274,546)</u>
Expenditures:				
Current:				
General Government:				
Legislative:				
Personal services	1,800	1,800	1,575	225
Employee benefits	1,365	1,365	989	376
Other purchased services	17,920	17,920	18,250	(330)
Supplies	2,600	2,600	973	1,627
Miscellaneous	<u>575</u>	<u>575</u>	<u>315</u>	<u>260</u>
	<u>24,260</u>	<u>24,260</u>	<u>22,102</u>	<u>2,158</u>
Executive Administration:				
Personal services	534,935	534,935	415,248	119,687
Employee benefits	141,236	141,236	107,635	33,601
Purchased property services	1,793	1,793	2,570	(777)
Other purchased services	15,600	15,600	16,431	(831)
Supplies	4,500	4,500	3,430	1,070
Miscellaneous	<u>800</u>	<u>800</u>	<u>780</u>	<u>20</u>
	<u>698,864</u>	<u>698,864</u>	<u>546,094</u>	<u>152,770</u>

CITY OF MISSION, TEXAS**GENERAL FUND****BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Finance Department:				
Personal services	383,031	383,031	367,884	15,147
Employee benefits	105,560	105,560	100,860	4,700
Purchased property services	5,900	5,900	4,173	1,727
Other purchased services	8,825	8,664	3,626	5,038
Capital outlays	2,000	2,000	1,152	848
Supplies	6,300	6,461	4,124	2,337
Miscellaneous	1,150	1,150	808	342
	<u>512,766</u>	<u>512,766</u>	<u>482,627</u>	<u>30,139</u>
Municipal Court:				
Personal services	503,842	503,842	472,841	31,001
Employee benefits	149,342	149,342	140,276	9,066
Other purchased services	4,500	4,500	4,688	(188)
Supplies	8,000	8,000	5,365	2,635
Miscellaneous	6,590	6,590	5,128	1,462
	<u>672,274</u>	<u>672,274</u>	<u>628,298</u>	<u>43,976</u>
Planning:				
Personal services	496,892	496,892	496,308	584
Employee benefits	169,727	169,727	165,024	4,703
Purchased property services	7,975	8,200	7,867	333
Other purchased services	32,500	34,000	40,309	(6,309)
Supplies	17,600	16,850	13,797	3,053
Capital outlays	61,510	47,310	8,131	39,179
Miscellaneous	107,750	120,975	89,114	31,861
	<u>893,954</u>	<u>893,954</u>	<u>820,550</u>	<u>73,404</u>
Facilities Maintenance:				
Personal services	366,932	366,932	344,746	22,186
Employee benefits	134,994	134,994	129,828	5,166
Purchased property services	61,200	61,200	42,895	18,305
Other purchased services	5,500	5,500	4,270	1,230
Supplies	269,650	269,650	181,103	88,547
Capital outlays	217,000	217,000	186,116	30,884
Miscellaneous	1,000	1,000	200	800
	<u>1,056,276</u>	<u>1,056,276</u>	<u>889,158</u>	<u>167,118</u>

CITY OF MISSION, TEXAS**GENERAL FUND****BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Fleet Maintenance:				
Personal services	65,000	153,920	121,384	32,536
Employee benefits	15,454	48,081	38,060	10,021
Professional & technical services	1,000,000	598,053	1,087,081	(489,028)
Purchased property services	-	2,000	1,118	882
Other purchased services	2,720	1,320	1,276	44
Supplies	1,950	271,350	65,515	205,835
Capital outlay	6,000	16,000	10,308	5,692
Miscellaneous	150,000	150,000	119,504	30,496
	<u>1,241,124</u>	<u>1,240,724</u>	<u>1,444,246</u>	<u>(203,522)</u>
Organizational Expense:				
Professional & technical services	951,000	1,189,000	1,236,100	(47,100)
Purchased property services	156,800	156,800	112,295	44,505
Other purchased services	150,600	163,100	405,318	(242,218)
Supplies	27,000	8,250	7,640	610
Capital outlays	406,500	73,500	3,364	70,136
Miscellaneous	968,075	1,239,925	1,204,973	34,952
	<u>2,659,975</u>	<u>2,830,575</u>	<u>2,969,690</u>	<u>(139,115)</u>
Purchasing:				
Personal services	185,563	185,563	185,392	171
Employee benefits	55,495	55,495	54,734	761
Purchased property services	2,100	2,100	1,866	234
Other purchased services	17,100	17,100	16,618	482
Supplies	1,350	1,350	1,112	238
Miscellaneous	6,565	6,565	5,633	932
	<u>268,173</u>	<u>268,173</u>	<u>265,355</u>	<u>2,818</u>
City Secretary:				
Personal services	234,303	234,303	233,709	594
Employee benefits	71,449	71,449	69,824	1,625
Professional & technical services	6,000	6,000	4,362	1,638
Purchased property services	3,000	3,000	2,688	312
Other purchased services	13,800	13,800	12,407	1,393
Supplies	700	700	546	154
Miscellaneous	1,100	1,100	852	248
	<u>330,352</u>	<u>330,352</u>	<u>324,388</u>	<u>5,964</u>
Risk Management:				
Personal services	88,764	88,764	88,764	-
Employee benefits	28,944	28,944	29,840	(896)
Professional & technical services	8,500	8,500	5,580	2,920
Purchased property services	2,000	2,000	1,947	53
Other purchased services	341,250	341,250	396,013	(54,763)
Supplies	9,450	9,450	9,449	1
Miscellaneous	150	150	150	-
	<u>479,058</u>	<u>479,058</u>	<u>531,743</u>	<u>(52,685)</u>

CITY OF MISSION, TEXAS**GENERAL FUND****BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Elections:				
Professional & technical services	30,000	77,776	77,776	-
Other purchased services	3,615	869	868	1
Supplies	20	20	20	-
	33,635	78,665	78,664	1
Civil Service:				
Personal services	90,195	90,195	90,195	-
Employee benefits	24,527	24,527	25,445	(918)
Professional & technical services	40,000	40,000	45,855	(5,855)
Other purchased services	7,200	7,200	7,258	(58)
Supplies	15,000	40,000	24,311	15,689
Miscellaneous	-	-	189	(189)
	176,922	201,922	193,253	8,669
Human Resources:				
Personal services	191,525	191,525	182,194	9,331
Employee benefits	56,437	56,437	53,605	2,832
Professional & technical services	12,000	12,000	14,015	(2,015)
Purchased property services	1,500	1,500	1,447	53
Other purchased services	2,860	2,860	3,084	(224)
Supplies	1,640	1,640	1,557	83
Miscellaneous	934	934	977	(43)
	266,896	266,896	256,879	10,017
Information Technology:				
Personal services	165,999	165,999	165,920	79
Employee benefits	52,962	52,962	51,983	979
Professional & technical services	-	-	-	-
Purchased property services	93,000	93,000	89,194	3,806
Other purchased services	6,400	6,400	1,353	5,047
Supplies	875	875	620	255
Capital outlay	4,500	4,500	-	4,500
Miscellaneous	200	200	31	169
	323,936	323,936	309,101	14,835
Media Relations:				
Personal services	122,084	122,084	120,883	1,201
Employee benefits	33,650	33,650	32,633	1,017
Purchased property services	500	500	-	500
Other purchased services	2,450	2,450	2,297	153
Supplies	2,400	2,400	1,055	1,345
Capital outlay	4,200	4,200	-	4,200
	165,284	165,284	156,868	8,416

CITY OF MISSION, TEXAS**GENERAL FUND****BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Legal:				
Personal services	311,580	311,580	276,591	34,989
Employee benefits	65,672	65,672	58,431	7,241
Purchased property services	19,450	19,450	19,346	104
Other purchased services	6,500	6,500	6,208	292
Supplies	1,500	1,500	861	639
Miscellaneous	4,700	4,700	7,303	(2,603)
	<u>409,402</u>	<u>409,402</u>	<u>368,740</u>	<u>40,662</u>
Total General Government	10,213,151	10,453,381	10,287,756	165,625
Public Safety:				
Police Department:				
Personal services	11,056,654	11,056,654	10,253,651	803,003
Employee benefits	3,001,076	3,001,076	2,821,564	179,512
Professional & technical services	125,000	125,000	122,065	2,935
Purchased property services	394,950	430,030	392,475	37,555
Other purchased services	235,160	235,160	228,048	7,112
Supplies	422,150	376,595	364,378	12,217
Capital outlays	-	10,250	11,560	(1,310)
Miscellaneous	23,175	23,400	18,600	4,800
	<u>15,258,165</u>	<u>15,258,165</u>	<u>14,212,341</u>	<u>1,045,824</u>
Fire Department:				
Personal services	4,563,573	4,563,573	4,359,690	203,883
Employee benefits	1,199,494	1,199,494	1,104,665	94,829
Purchased property services	158,500	154,600	134,562	20,038
Other purchased services	106,000	101,250	104,084	(2,834)
Supplies	216,200	204,900	189,511	15,389
Capital outlays	61,160	81,110	603,450	(522,340)
Miscellaneous	9,100	9,100	20,509	(11,409)
	<u>6,314,027</u>	<u>6,314,027</u>	<u>6,516,471</u>	<u>(202,444)</u>
Fire Prevention Bureau:				
Personal services	352,840	352,840	335,301	17,539
Employee benefits	89,820	89,820	85,156	4,664
Purchased property services	6,300	6,300	4,867	1,433
Other purchased services	12,200	12,200	10,616	1,584
Supplies	20,100	20,100	16,590	3,510
Capital outlays	2,575	2,575	2,575	-
Miscellaneous	350	350	231	119
	<u>484,185</u>	<u>484,185</u>	<u>455,336</u>	<u>28,849</u>

CITY OF MISSION, TEXAS**GENERAL FUND****BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual	
Total Public Safety	<u>22,056,377</u>	<u>22,056,377</u>	<u>21,184,148</u>	<u>872,229</u>
Highways and Streets:				
Street Department:				
Personal services	966,452	966,452	934,390	32,062
Employee benefits	394,140	394,140	384,140	10,000
Professional & technical services	58,000	58,000	66,018	(8,018)
Purchased property services	1,619,000	1,634,000	1,599,212	34,788
Other purchased services	11,600	11,600	11,784	(184)
Supplies	1,382,400	1,367,400	1,309,831	57,569
Capital outlays	3,777,230	3,777,230	1,449,360	2,327,870
Miscellaneous	118,500	118,500	100,011	18,489
	<u>8,327,322</u>	<u>8,327,322</u>	<u>5,854,746</u>	<u>2,472,576</u>
Total Highways and Streets	<u>8,327,322</u>	<u>8,327,322</u>	<u>5,854,746</u>	<u>2,472,576</u>
Health and Welfare:				
Health Regulations and Inspections:				
Personal services	345,484	345,484	312,012	33,472
Employee benefits	118,577	118,577	111,950	6,627
Professional & technical services	600	600	509	91
Purchased property services	5,800	5,800	4,054	1,746
Other purchased services	8,950	8,950	8,996	(46)
Supplies	45,250	45,250	39,271	5,979
Capital outlays	31,300	31,300	31,098	202
Miscellaneous	2,100	2,100	1,815	285
	<u>558,061</u>	<u>558,061</u>	<u>509,705</u>	<u>48,356</u>
Total Health and Welfare	<u>558,061</u>	<u>558,061</u>	<u>509,705</u>	<u>48,356</u>
Culture and Recreation:				
Mission Historical Museum:				
Personal services	184,170	184,170	177,473	6,697
Employee benefits	63,628	63,628	60,718	2,910
Purchased property services	26,000	26,000	24,617	1,383
Other purchased services	13,200	12,850	6,810	6,040
Supplies	3,950	4,300	3,867	433
Miscellaneous	200	200	161	39
	<u>291,148</u>	<u>291,148</u>	<u>273,646</u>	<u>17,502</u>
Parks and Recreation Administration:				
Personal services	216,796	216,796	217,701	(905)
Employee benefits	60,631	60,631	59,123	1,508
Purchased property services	27,000	27,000	22,708	4,292
Other purchased services	7,100	7,100	5,838	1,262
Supplies	3,200	3,200	2,846	354
Capital outlays	1,450	1,450	1,460	(10)
Miscellaneous	380	380	355	25
	<u>316,557</u>	<u>316,557</u>	<u>310,031</u>	<u>6,526</u>

CITY OF MISSION, TEXAS**GENERAL FUND****BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Parks:				
Personal services	1,043,569	1,043,569	894,021	149,548
Employee benefits	400,417	400,417	371,164	29,253
Purchased property services	495,000	495,000	448,291	46,709
Other purchased services	14,000	14,000	13,362	638
Supplies	285,950	285,950	197,985	87,965
Capital outlays	405,500	605,500	607,712	(2,212)
Miscellaneous	69,000	69,000	77,492	(8,492)
	<u>2,713,436</u>	<u>2,913,436</u>	<u>2,610,027</u>	<u>303,409</u>
Recreation:				
Personal services	228,166	228,166	209,572	18,594
Employee benefits	135,471	135,471	50,496	84,975
Professional and technical services	21,000	21,000	14,648	6,352
Other purchased services	32,000	32,000	37,432	(5,432)
Supplies	26,400	26,400	25,160	1,240
Miscellaneous	300	300	295	5
	<u>443,337</u>	<u>443,337</u>	<u>337,603</u>	<u>105,734</u>
Library:				
Personal services	783,417	783,417	733,228	50,189
Employee benefits	237,497	237,497	223,425	14,072
Purchased property services	106,890	107,190	92,822	14,368
Other purchased services	84,250	83,250	86,018	(2,768)
Supplies	33,550	34,250	29,236	5,014
Capital outlays	28,740	28,740	27,899	841
Miscellaneous	84,450	159,450	157,511	1,939
	<u>1,358,794</u>	<u>1,433,794</u>	<u>1,350,139</u>	<u>83,655</u>
Bannworth Pool:				
Personal services	128,869	128,869	147,286	(18,417)
Employee benefits	32,616	32,616	30,268	2,348
Purchased property services	51,800	51,800	42,348	9,452
Other purchased services	9,100	9,100	9,839	(739)
Supplies	19,600	19,600	10,766	8,834
Capital outlays	46,000	6,000	5,956	44
Miscellaneous	450	450	370	80
	<u>288,435</u>	<u>248,435</u>	<u>246,833</u>	<u>1,602</u>

CITY OF MISSION, TEXAS**GENERAL FUND****BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
Mayberry Pool:				
Personal services	171,864	171,864	99,877	71,987
Employee benefits	38,144	38,144	27,889	10,255
Purchased property services	49,500	49,500	32,580	16,920
Other purchased services	9,100	9,100	9,165	(65)
Supplies	36,525	36,525	20,721	15,804
Capital outlays	3,200	3,200	2,997	203
Miscellaneous	300	300	275	25
	<u>308,633</u>	<u>308,633</u>	<u>193,504</u>	<u>115,129</u>
Total Culture and Recreation	<u>5,720,340</u>	<u>5,955,340</u>	<u>5,321,783</u>	<u>633,557</u>
Debt Service:				
Principal retirement	135,402	127,702	127,660	42
Interest	9,000	20,100	20,032	68
	<u>144,402</u>	<u>147,802</u>	<u>147,692</u>	<u>110</u>
Total Debt Service	<u>144,402</u>	<u>147,802</u>	<u>147,692</u>	<u>110</u>
Total Expenditures	<u>47,019,653</u>	<u>47,498,283</u>	<u>43,305,830</u>	<u>4,192,453</u>
Excess (Deficiency) of Revenue Over Expenditures	<u>(7,709,885)</u>	<u>(8,113,515)</u>	<u>(6,195,608)</u>	<u>1,917,907</u>
Other Financing Sources (Uses):				
Sale of capital assets	-	-	1,074	1,074
Other financing sources	-	-	530,306	530,306
Transfers in	6,400,000	6,400,000	6,400,000	-
Transfers out	<u>(4,022,000)</u>	<u>(4,022,000)</u>	<u>(3,687,082)</u>	<u>334,918</u>
Total Other Financing Sources (Uses)	<u>2,378,000</u>	<u>2,378,000</u>	<u>3,244,298</u>	<u>866,298</u>
Net Change in Fund Balance	<u>(5,331,885)</u>	<u>(5,735,515)</u>	<u>(2,951,310)</u>	<u>2,784,205</u>
Fund Balance at Beginning of Year	<u>6,380,533</u>	<u>6,380,533</u>	<u>6,380,533</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 1,048,648</u>	<u>\$ 645,018</u>	<u>\$ 3,429,223</u>	<u>\$ 2,784,205</u>

CITY OF MISSION, TEXAS**EXHIBIT B-2**

*RECONCILIATION OF THE GENERAL FUND BUDGETARY SCHEDULE
TO THE STATEMENT OF REVENUES AND EXPENDITURES
SEPTEMBER 30, 2018*

Net Changes in the General Fund Fund Balance	\$ (2,951,310)
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Amounts included in the Statement of Revenues and Expenditures for funds which did not meet the requirements for GASB 54 and were merged into the General Fund. Budgets were approved for these funds.

Revenues:

Capital Assets Fund revenues and transfers-in	104,108
Boys and Girls Club Fund revenues and transfers-in	626,752

Expenditures:

Capital Assets expenditures	(106,256)
Boys and Girls Club expenditures	<u>(749,768)</u>

Net Change in Fund Balances	<u>\$ (3,076,474)</u>
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The accompanying notes are an integral part of this statement.

CITY OF MISSION, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
FOR AGENT MULTIPLE-EMPLOYER PENSION PLAN
TEXAS MUNICIPAL RETIREMENT SYSTEM

Schedule of Changes in Net Pension Liability and Related Ratios

	2018	2017	2016	2015
Total Pension Liability				
Service Cost	\$ 3,574,775	\$ 3,428,663	\$ 3,146,606	\$ 2,887,755
Interest (on the total pension liability)	5,754,029	5,322,821	5,036,145	4,642,161
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(110,717)	139,268	(255,681)	270,001
Change of assumptions	-	-	1,263,377	-
Benefit payments, including refunds of employee contribution:	<u>(2,754,877)</u>	<u>(2,396,210)</u>	<u>(2,443,370)</u>	<u>(2,158,651)</u>
Net change in total pension liability	\$ 6,463,210	\$ 6,494,542	\$ 6,747,077	\$ 5,641,266
Total pension liability - beginning	84,834,925	78,340,383	71,593,306	65,952,040
Total pension liability - ending(a)	<u>\$ 91,298,135</u>	<u>\$ 84,834,925</u>	<u>\$ 78,340,383</u>	<u>\$ 71,593,306</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 2,425,326	\$ 2,171,026	\$ 2,068,394	\$ 1,973,751
Contributions - employee	1,724,168	1,657,278	1,563,024	1,528,747
Net investment income	10,178,044	4,560,867	97,759	3,514,549
Benefit payments, including refunds of employee contribution:	<u>(2,754,877)</u>	<u>(2,396,210)</u>	<u>(2,443,370)</u>	<u>(2,158,651)</u>
Administrative expense	(52,727)	(51,496)	(59,540)	(36,688)
Other	<u>(2,672)</u>	<u>(2,775)</u>	<u>(2,941)</u>	<u>(3,016)</u>
Net change in plan fiduciary net position	11,517,263	5,938,690	1,223,327	4,818,692
Plan fiduciary net position - beginning	73,408,301	67,469,611	66,246,284	61,427,592
Plan fiduciary net position - ending(b)	<u>\$ 84,925,564</u>	<u>\$ 73,408,301</u>	<u>\$ 67,469,611</u>	<u>\$ 66,246,284</u>
Net Pension Liability (a)-(b)	<u><u>\$ 6,372,571</u></u>	<u><u>\$ 11,426,624</u></u>	<u><u>\$ 10,870,772</u></u>	<u><u>\$ 5,347,022</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability [b/a]	93.02%	86.53%	86.12%	92.53%
Covered Payroll	\$ 28,736,135	\$ 27,583,776	\$ 26,048,066	\$ 25,321,089
Net Pension Liability as a Percentage of Covered Payroll	22.18%	41.43%	41.73%	21.12%

Notes to Schedule of Changes in Net Pension Liability and Related Ratio:

GASB 68 requires 10 fiscal years of data to be provided in this schedule. However, until a full 10-year trend is compiled, this schedule provides the information of those years for which information is available.

CITY OF MISSION, TEXAS
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION
 LIABILITIES OF COST-SHARING MULTIPLE-EMPLOYER PENSION PLAN
 TEXAS EMERGENCY RETIREMENT SYSTEM (TESRS)

	2018	2017	2016	2015
City's proportion of the net pension liability	0.269%	0.027%	0.064%	0.079%
City's proportionate share of the net pension liability	\$ 58,240	\$ 6,480	\$ 17,083	\$ 14,356
City's number of active members*	14	3	3	7
City's net pension liability per active member	\$ 4,160	\$ 2,160	\$ 5,694	\$ 2,051
Plan fiduciary net position as a percentage of the total pension liability	84.3%	81.4%	76.9%	83.5%

*There is no compensation for active members, so number of active members is used instead

Notes to Schedule of City's Proportionate Share of the Net Pension Liabilities

GASB 68 requires 10 fiscal years of data to be provided in this schedule. However, until a full 10-year trend is compiled, this schedule provides the information of those years for which information is available.

CITY OF MISSION, TEXAS
SCHEDULE OF CITY CONTRIBUTIONS FOR ALL PENSION PLANS
FOR FISCAL YEAR ENDED SEPTEMBER 30, 2018

	2018	2017	2016	2015
Texas Emergency Services Retirement System (TESRS)				
Contractually required contribution	\$ 12,891	\$ 1,296	\$ 2,496	\$ 4,224
Contributions in relation to the contractually required contribution	<u>\$ 12,891</u>	<u>\$ 1,296</u>	<u>\$ 2,496</u>	<u>\$ 4,224</u>
Contribution deficiency (excess)	-	-	-	-
Number of active members*	14	3	3	7
Contributions per active member	\$ 921	\$ 432	\$ 832	\$ 603

* There is no compensation for active members, so number of active members is used instead

Texas Municipal Retirement System (TMRS)				
Actuarially determined contribution	\$ 2,425,326	\$ 2,171,026	\$ 2,068,394	\$ 2,041,476
Contributions in relation to the actuarially determined contribution	<u>\$ 2,425,326</u>	<u>\$ 2,171,026</u>	<u>\$ 2,068,394</u>	<u>\$ 2,041,476</u>
Contribution deficiency (excess)	-	-	-	-
Covered payroll	\$ 29,326,387	\$ 28,707,904	\$ 28,187,323	\$ 25,843,740
Contributions as a percentage of covered payroll	8.27%	7.56%	7.34%	7.90%

Notes to Schedule of Contributions

Valuation Date - Actuarially determined contribution rates are calculated as of December 31, and become effective in January, 13 months later.

GASB 68 requires 10 fiscal years of data to be provided in this schedule. However, until a full 10-year trend is compiled, this schedule provides the information of those years for which information is available.

CITY OF MISSION
**SCHEDULE OF CHANGES IN THE TOTAL OTHER POST EMPLOYMENT
 BENEFITS (OPEB) LIABILITY AND RELATED RATIOS**

	2018
Total OPEB health benefit liability	
Service cost	\$ 109,235
Interest	173,867
Changes of benefit terms	-
Difference between expected and actual experience	194,658
Changes in assumptions or other inputs	-
Benefit payments	(345,959)
Net change in total OPEB liability	<u>\$ 131,801</u>
Total OPEB liability - beginning	<u>4,639,194</u>
Total OPEB liability - ending	<u><u>\$ 4,770,995</u></u>
 Covered - Employee Payroll	 \$ 18,051,386

Total OPEB Liability as a Percentage of Covered Employee Payroll	26.4%
--	-------

Notes to Schedule

Changes of Benefit Terms:

None

Changes of Assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate period.

The following are the discount rates used in each period:

2018 3.73%

	2018
Total OPEB single death benefit liability	
Service cost	\$ 68,967
Interest	35,828
Changes of benefit terms	-
Difference between expected and actual experience	-
Changes in assumptions or other inputs	96,765
Benefit payments	(5,747)
Net change in total OPEB liability	<u>\$ 195,813</u>
Total OPEB liability - beginning	<u>916,209</u>
Total OPEB liability - ending	<u><u>\$ 1,112,022</u></u>

Covered - Employee Payroll	\$ 28,736,135
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Total OPEB Liability as a Percentage of Covered Employee Payroll	3.87%
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Notes to Schedule

Changes of Benefit Terms:

None

Changes of Assumptions:

Changes of assumptions and other inputs reflect the effects of changes in the discount rate period.

The following are the discount rates used in each period:

2018 3.31%

CITY OF MISSION, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2018

The City follows these procedures in establishing the budgetary data reflected in the budgetary schedules:

1. The City Manager submits a proposed operating budget for all funds, as mandated by the City Charter, to the City Council 60 to 90 days prior to the beginning of each fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. The City Council selects the time and place of a public hearing on the budget to obtain taxpayer comments.
3. The appropriated budget is adopted by a majority vote of the City Council, and signed into law by a budget ordinance.
4. The budget amounts used in this report are as amended by the City Council.
5. Budgetary appropriations lapse at the end of each fiscal year.
6. The total estimated expenditures of the General Fund and Debt Service Fund may not exceed the total estimated revenues plus cash on hand of each fund.
7. The current level of budgetary control is the department level within each fund.

Due to the City's budgetary control level (department), the City Council approved several supplemental budgetary appropriations throughout the year. Approved budgetary appropriations increased the following budgets by:

Special Revenue Funds	\$ 2,356,037
Capital Project Funds	\$ 5,682,783

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year end do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. Significant outstanding encumbrances in the General Fund are classified as assigned.

During the year ended September 30, 2018, four General Fund Department expenditures exceeded appropriations by a total of \$597,766. See Exhibit B-1.

CITY OF MISSION, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2018

Budget to GAAP Reconciliation

The following is an explanation of differences between budgetary basis and GAAP revenues and expenditures:

<u>Revenues:</u>	<u>General Fund</u>
Actual revenues (budgetary basis) from the budgetary comparison schedule (Exhibit B-1)	\$ 37,110,222
Adjustments due to GASB Statement 54:	
Capital Asset Replacement Fund revenues	24,107
Boys and Girls Club revenues	<u>326,751</u>
Total adjustments necessary	<u>350,878</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds (Exhibit A-5)	<u>\$ 37,461,080</u>

Note: Does not include other financing resources.

CITY OF MISSION, TEXAS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
September 30, 2018

Budget to GAAP Reconciliation (*Continued*)

<u>Expenditures:</u>	<u>General Fund</u>
Actual expenditures (budgetary basis) from the budgetary comparison schedule (Exhibit B-1)	\$43,305,830
Adjustments due to GASB Statement 54:	
Capital Asset Replacement Fund expenditures	106,255
Boys and Girls Club expenditures	<u>749,767</u>
Total adjustments necessary	<u>856,022</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances-governmental funds (Exhibit A-5)	<u>\$44,161,852</u>

*OTHER
SUPPLEMENTARY
INFORMATION*



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NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are restricted to expenditures for particular purposes.

Community Development Block Grant (CDBG): To account for federal funds granted to the City for the sole purpose of improving the health and welfare of the community.

Police Department Special Fund: To account for monies confiscated in drug related cases; expenditures from the fund are restricted for law enforcement purposes.

Police Federal Sharing Fund: To account for federal seizures awarded to the City. Expenditures are restricted for law enforcement purposes.

Municipal Court Technology Fund: To account for collections and expenditures of municipal court technology fee.

Designated Purpose Fund: To account for revenues and expenditures of various grants.

Drainage Assessment Fund: To account for the cost of drainage improvements at problem locations throughout the City. Property owners in the City are assessed a monthly amount according to a set rate schedule.

Cemetery Fund: To account for fees associated with the maintenance of the City's cemeteries. The City currently has three cemeteries that it must maintain: Laurel Cemetery, Catholic Cemetery, and San Jose Cemetery.

Records Preservation Fund: To account for fees collected for providing preservation of records.

Speer Memorial Library Fund: To account for contributions from private sources restricted to the provision of scholarships and library books.

Hotel/Motel Tax Fund: To account for collections and expenditures of hotel and motel taxes to promote tourism.

Municipal Court Building Security Fund: To account for fees collected for providing security to the Municipal Court Building.

Park Dedication Fund: To account for park dedication fees received from developers for new parks and park improvements.

NON-MAJOR GOVERNMENTAL FUNDS (CONT'D)

SPECIAL REVENUE FUNDS (Cont'd)

Juvenile Case Manager: To account for fines collected on fine-only misdemeanor offense cases and fees are to be used only to finance the salary and benefits of a juvenile case manager.

PEG Capital Fund: To account for PEG capital fees received from holders of a state issued certificate of franchise authority that constitute 1% of their gross revenue. These revenues, under state and federal law, must be separated from general fund revenue and may only be used for capital costs of PEG facilities.

Tax Increment Reinvestment Zone Fund: To account for a portion of property taxes levied by the City and Hidalgo County to facilitate the provision of public works or improvements.

Mission Economic Development Authority: To provide development activities that could not be carried out by the Mission Economic Development Corporation. City of Mission management has operational and fiscal responsibility for this component unit. MEDA is presented as a Blended Component Unit - Special Revenue Fund of the City as MEDA's current limited activity exclusively benefits the City.

CAPITAL PROJECT FUNDS

Capital Projects Fund: To account for the construction of capital projects not funded through debt obligations.

2009 Certificates of Obligations: To account for various park improvements, including two new gyms for the Boys and Girls Club Department.

2012 Certificates of Obligations: To account for funding on the Inspiration Street Widening Project.

2016 Certificates of Obligations: To account for the Mission Event Center construction and purchase of property.

CITY OF MISSION, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 2018
EXHIBIT C-1

	Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS			
Cash and cash equivalents	\$ 552,657	\$ 10,475	\$ 563,132
Investments	2,148,249	-	2,148,249
Prepaid items	2,000	-	2,000
Receivables:			
Accounts	417,919	-	417,919
Special assessments	144,657	-	144,657
Less: allowance for uncollectibles	(883)	-	(883)
Due from other governments	789,648	694,713	1,484,361
Due from Component Unit	-	3,000	3,000
Due from other funds	2,721,682	100,918	2,822,600
Inventories	6,210	-	6,210
Land held for resale	558,767	-	558,767
Total Assets	<u>\$ 7,340,906</u>	<u>\$ 809,106</u>	<u>\$ 8,150,012</u>
LIABILITIES			
Accounts payable	\$ 243,624	\$ 39,271	\$ 282,895
Other liabilities	20,695	-	20,695
Retainage payable	-	75,375	75,375
Accrued payroll	11,820	-	11,820
Due to other funds	715,501	688,054	1,403,555
Due to component unit	62,768	-	62,768
Unearned revenue	418,805	-	418,805
Total Liabilities	<u>1,473,213</u>	<u>802,700</u>	<u>2,275,913</u>
FUND BALANCES			
Nonspendable	566,977	-	566,977
Restricted	5,300,716	6,406	5,307,122
Total Fund Balances	<u>5,867,693</u>	<u>6,406</u>	<u>5,874,099</u>
Total Liabilities and Fund Balances	<u>\$ 7,340,906</u>	<u>\$ 809,106</u>	<u>\$ 8,150,012</u>



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CITY OF MISSION, TEXAS

*COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018*

EXHIBIT C-2

	Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds (See Exhibit A-5)
REVENUES			
Taxes and special assessments	\$ 1,355,609	\$ -	\$ 1,355,609
Intergovernmental	5,259,966	3,361,666	8,621,632
Charges for services	225,844	-	225,844
Interest	28,494	14,269	42,763
Miscellaneous	126,002	-	126,002
Total Revenues	6,995,915	3,375,935	10,371,850
EXPENDITURES			
Current:			
General government	704,811	-	704,811
Public safety	1,592,938	-	1,592,938
Highways and streets	1,346,372	-	1,346,372
Culture and recreation	969,388	-	969,388
Health and welfare	52,500	-	52,500
Economic development	5,619,555	-	5,619,555
Capital projects	-	8,782,432	8,782,432
Total Expenditures	10,285,564	8,782,432	19,067,996
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(3,289,649)	(5,406,497)	(8,696,146)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of assets	281,002	-	281,002
Transfers in	2,700,489	354,788	3,055,277
Transfers out	(127,648)	(106)	(127,754)
Total Other Financing Sources (Uses)	2,853,843	354,682	3,208,525
Net Change in Fund Balances	(435,806)	(5,051,815)	(5,487,621)
Fund Balances at Beginning of Year	6,303,499	5,058,221	11,361,720
Fund Balances at End of Year	\$ 5,867,693	\$ 6,406	\$ 5,874,099

CITY OF MISSION, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2018

	CDBG	Police Department Special Fund	Police Federal Sharing Fund	Minicipal Court Technology Fund
ASSETS				
Cash and cash equivalents	\$ 7	\$ -	\$ -	\$ -
Investments	-	29,701	99,446	29,697
Prepaid items	-	-	-	-
Receivables:				
Accounts	-	13,661	-	-
Special assessments	-	-	-	-
Less: allowance for uncollectibles	-	-	-	-
Due from other governments	15,145	-	-	-
Due from other funds	78	22,274	251,150	168,528
Inventories	-	-	-	-
Land held for resale	-	-	-	-
Total Assets	<u>\$ 15,230</u>	<u>\$ 65,636</u>	<u>\$ 350,596</u>	<u>\$ 198,225</u>
LIABILITIES				
Accounts payable	\$ 3,142	\$ 2,740	\$ 46,928	\$ 15,706
Other liabilities	1,130	9,489	-	-
Retainage payable	-	-	-	-
Accrued payroll	2,159	-	-	-
Due to other funds	8,799	-	-	-
Due to component unit	-	-	-	-
Unearned revenue	-	-	-	-
Total Liabilities	<u>15,230</u>	<u>12,229</u>	<u>46,928</u>	<u>15,706</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	53,407	303,668	182,519
Total Fund Balances	<u>-</u>	<u>53,407</u>	<u>303,668</u>	<u>182,519</u>
Total Liabilities and Fund Balances	<u>\$ 15,230</u>	<u>\$ 65,636</u>	<u>\$ 350,596</u>	<u>\$ 198,225</u>

EXHIBIT C-3

Page 1 of 2

Designated Purpose Fund	Drainage Assessment Fund	Cemetery Fund	Records Preservation Fund
\$ -	\$ -	\$ -	\$ -
-	809,022	-	-
-	-	-	-
15,946	109	-	-
-	144,657	-	-
-	(883)	-	-
774,503	-	-	-
-	951,324	41,916	8,344
-	-	-	-
<u>\$ 790,449</u>	<u>\$ 1,904,229</u>	<u>\$ 41,916</u>	<u>\$ 8,344</u>
\$ 37,770	\$ 14,588	\$ 2,713	\$ -
7,751	481	-	-
-	-	-	-
5,291	1,183	-	-
697,330	383	-	-
-	-	-	-
<u>42,307</u>	<u>16,635</u>	<u>2,713</u>	<u>-</u>
<u><u>\$ 790,449</u></u>	<u><u>\$ 1,904,229</u></u>	<u><u>\$ 41,916</u></u>	<u><u>\$ 8,344</u></u>
-	1,887,594	39,203	8,344
-	1,887,594	39,203	8,344
<u><u>\$ 790,449</u></u>	<u><u>\$ 1,904,229</u></u>	<u><u>\$ 41,916</u></u>	<u><u>\$ 8,344</u></u>

CITY OF MISSION, TEXAS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2018

	Speer Memorial Library	Hotel/Motel Tax Fund	Municipal Court Building Security Fund	Park Dedication Fund
ASSETS				
Cash and cash equivalents	\$ -	\$ 1,500	\$ -	\$ -
Investments	19,798	218,650	39,948	-
Prepaid items	-	2,000	-	-
Receivables:				
Accounts	-	206,064	-	-
Special assessments	-	-	-	-
Less: allowance for uncollectibles	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	6,458	477,407	51,933	325,498
Inventories	-	6,210	-	-
Land held for resale	-	-	-	-
Total Assets	\$ 26,256	\$ 911,831	\$ 91,881	\$ 325,498
LIABILITIES				
Accounts payable	\$ -	\$ 48,625	\$ 250	\$ -
Other liabilities	-	1,702	-	-
Retainage payable	-	-	-	-
Accrued payroll	-	2,870	-	-
Due to other funds	-	8,383	-	-
Due to component unit	-	-	-	-
Unearned revenue	-	51,000	-	325,498
Total Liabilities	-	112,580	250	325,498
FUND BALANCES				
Nonspendable	-	8,210	-	-
Restricted	26,256	791,041	91,631	-
Total Fund Balances	26,256	799,251	91,631	-
Total Liabilities and Fund Balances	\$ 26,256	\$ 911,831	\$ 91,881	\$ 325,498

EXHIBIT C-3

Page 2 of 2

Juvenile Case Manager Fund	PEG Capital Fund	Tax Increment Reinvestment Zone Fund	Mission Economic Development Authority	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
\$ 49,947	\$ 356,260	\$ -	\$ 551,150 495,780	\$ 552,657 2,148,249 2,000
-	-	-	-	-
-	26,806	-	155,333	417,919
-	-	-	-	144,657
-	-	-	-	(883)
-	-	-	-	789,648
110,835	239,104	66,323	510	2,721,682
-	-	-	-	6,210
-	-	-	558,767	558,767
\$ 160,782	\$ 622,170	\$ 66,323	\$ 1,761,540	\$ 7,340,906
\$ 259	\$ -	\$ -	\$ 70,903	\$ 243,624
142	-	-	-	20,695
-	-	-	-	-
317	-	-	-	11,820
606	-	-	-	715,501
-	-	62,768	-	62,768
-	-	-	-	418,805
1,324	-	62,768	70,903	1,473,213
-	-	-	558,767	566,977
159,458	622,170	3,555	1,131,870	5,300,716
159,458	622,170	3,555	1,690,637	5,867,693
\$ 160,782	\$ 622,170	\$ 66,323	\$ 1,761,540	\$ 7,340,906

CITY OF MISSION, TEXAS

*COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018*

	CDBG	Police Department Special Fund	Police Federal Sharing Fund	Municipal Court Technology Fund
REVENUES				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	684,936	18,469	99,763	-
Charges for services	-	-	-	25,161
Interest	-	3,546	2,155	608
Miscellaneous	-	5,785	-	-
Total Revenues	<u>684,936</u>	<u>27,800</u>	<u>101,918</u>	<u>25,769</u>
EXPENDITURES				
Current:				
General government	632,436	-	-	18,499
Public safety	-	73,456	251,161	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Health and welfare	52,500	-	-	-
Economic development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>684,936</u>	<u>73,456</u>	<u>251,161</u>	<u>18,499</u>
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	<u>-</u>	<u>(45,656)</u>	<u>(149,243)</u>	<u>7,270</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	22,888	-	-
Other financing sources	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(127,648)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>22,888</u>	<u>(127,648)</u>	<u>-</u>
SPECIAL AND EXTRAORDINARY ITEMS				
Special items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Special and Extraordinary Items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	(22,768)	(276,891)	7,270
Fund Balances at Beginning of Year	-	76,175	580,559	175,249
Fund Balances at End of Year	<u>\$ -</u>	<u>\$ 53,407</u>	<u>\$ 303,668</u>	<u>\$ 182,519</u>

EXHIBIT C-4

Page 1 of 2

Designated Purpose Fund	Drainage Assessment Fund	Cemetery Fund	Records Preservation Fund
\$ -	\$ 943,562	\$ -	\$ -
1,744,930	-	-	-
-	-	9,900	5,908
-	7,421	46	8
12,106	3,483	-	-
<u>1,757,036</u>	<u>954,466</u>	<u>9,946</u>	<u>5,916</u>
-	-	7,117	6,729
1,268,321	-	-	-
597,409	748,963	-	-
51,273	-	-	-
-	-	-	-
-	-	-	-
<u>1,917,003</u>	<u>748,963</u>	<u>7,117</u>	<u>6,729</u>
(159,967)	205,503	2,829	(813)
-	-	-	-
-	-	-	-
159,967	-	-	-
<u>159,967</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
205,503	2,829	2,829	(813)
-	1,682,091	36,374	9,157
<u>\$ -</u>	<u>\$ 1,887,594</u>	<u>\$ 39,203</u>	<u>\$ 8,344</u>

CITY OF MISSION, TEXAS

*COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018*

	Speer Memorial Library	Hotel/Motel Tax Fund	Municipal Court Building Security Fund	Park Dedication Fund
REVENUES				
Taxes and special assessments	\$ -	\$ 412,047	\$ -	\$ -
Intergovernmental	-	-	-	-
Charges for services	-	136,247	18,772	-
Interest	284	5,237	361	-
Miscellaneous	-	-	-	-
Total Revenues	284	553,531	19,133	-
EXPENDITURES				
Current:				
General government	-	-	8,549	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	918,115	-	-
Health and welfare	-	-	-	-
Economic development	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	918,115	8,549	-
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	284	(364,584)	10,584	-
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of assets	-	-	-	-
Other financing sources	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
SPECIAL AND EXTRAORDINARY ITEMS				
Special items	-	-	-	-
Total Special and Extraordinary Items	-	-	-	-
Net Change in Fund Balances	284	(364,584)	10,584	-
Fund Balances at Beginning of Year	25,972	1,163,835	81,047	-
Fund Balances at End of Year	\$ 26,256	\$ 799,251	\$ 91,631	\$ -

EXHIBIT C-4

Page 2 of 2

Juvenile Case Manager Fund	PEG Capital Fund	Tax Increment Reinvestment Zone Fund	Mission Economic Development Authority	Total Nonmajor Special Revenue Funds (See Exhibit C-2)
\$ -	\$ -	\$ -	\$ -	\$ 1,355,609
-	-	2,711,868	-	5,259,966
29,856	-	-	-	225,844
681	3,417	88	5,272	29,124
-	103,998	-	-	125,372
<u>30,537</u>	<u>107,415</u>	<u>2,711,956</u>	<u>5,272</u>	<u>6,995,915</u>
31,232	249	-	-	704,811
-	-	-	-	1,592,938
-	-	-	-	1,346,372
-	-	-	-	969,388
-	-	-	-	52,500
-	-	5,252,485	367,070	5,619,555
-	-	-	-	-
<u>31,232</u>	<u>249</u>	<u>5,252,485</u>	<u>367,070</u>	<u>10,285,564</u>
(695)	<u>107,166</u>	<u>(2,540,529)</u>	<u>(361,798)</u>	<u>(3,289,649)</u>
-	-	-	258,114	281,002
-	-	-	-	-
-	-	2,540,522	-	2,700,489
-	-	-	-	(127,648)
-	-	<u>2,540,522</u>	<u>258,114</u>	<u>2,853,843</u>
-	-	-	-	-
(695)	107,166	(7)	(103,684)	(435,806)
160,153	<u>515,004</u>	<u>3,562</u>	<u>1,794,321</u>	<u>6,303,499</u>
<u>\$ 159,458</u>	<u>\$ 622,170</u>	<u>\$ 3,555</u>	<u>\$ 1,690,637</u>	<u>\$ 5,867,693</u>

CITY OF MISSION, TEXAS
COMMUNITY DEVELOPMENT BLOCK GRANT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT C-5

	<u>Budgeted</u>	<u>Actual</u>	Variance with Final Budget
			Positive (Negative)
Revenues:			
Intergovernmental:			
Community Development Block Grant	\$ 1,052,840	\$ 684,936	\$ (367,904)
Total Intergovernmental	<u>1,052,840</u>	<u>684,936</u>	<u>(367,904)</u>
Total Revenues	<u>1,052,840</u>	<u>684,936</u>	<u>(367,904)</u>
Expenditures:			
Current:			
General Government:			
General administration	221,240	208,932	12,308
Housing rehabilitation	<u>777,600</u>	<u>423,504</u>	<u>354,096</u>
Total General Government	<u>998,840</u>	<u>632,436</u>	<u>366,404</u>
Health and Welfare:			
Other social services	54,000	52,500	1,500
Total Health and Welfare	<u>54,000</u>	<u>52,500</u>	<u>1,500</u>
Total Expenditures	<u>1,052,840</u>	<u>684,936</u>	<u>367,904</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>

CITY OF MISSION, TEXAS
POLICE DEPARTMENT SPECIAL FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT C-6

	<u>Budgeted</u>	<u>Actual</u>	Variance with Final Budget
			Positive (Negative)
Revenues:			
State Seizures:			
State seizures	\$ -	\$ 18,469	\$ 18,469
Miscellaneous	<u>-</u>	<u>5,785</u>	<u>5,785</u>
Total State Seizures	<u>-</u>	<u>24,254</u>	<u>24,254</u>
Interest:			
Interest earned on investments	<u>-</u>	<u>3,546</u>	<u>3,546</u>
Total Interest	<u>-</u>	<u>3,546</u>	<u>3,546</u>
Total Revenues	<u>-</u>	<u>27,800</u>	<u>27,800</u>
Expenditures:			
Current:			
Public Safety:			
State Seizures:			
Professional & technical services	30,000	30,000	-
Other purchased services	23,020	25,074	(2,054)
Supplies	9,980	9,980	-
Capital outlays	6,947	6,567	380
Miscellaneous	2,000	1,835	165
Total Public Safety	<u>71,947</u>	<u>73,456</u>	<u>(1,509)</u>
Total Expenditures	<u>71,947</u>	<u>73,456</u>	<u>(1,509)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(71,947)</u>	<u>(45,656)</u>	<u>26,291</u>
Other Financing Sources (Uses):			
Sale of capital assets	<u>-</u>	<u>22,888</u>	<u>22,888</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>22,888</u>	<u>22,888</u>
Net Change in Fund Balance	(71,947)	(22,768)	49,179
Fund Balance at Beginning of Year	<u>76,175</u>	<u>76,175</u>	-
Fund Balance at End of Year	<u>\$ 4,228</u>	<u>\$ 53,407</u>	<u>\$ 49,179</u>

CITY OF MISSION, TEXAS
POLICE FEDERAL SHARING FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2018
EXHIBIT C-7

	<u>Budgeted</u>	<u>Actual</u>	Variance with Final Budget
			Positive (Negative)
Revenues:			
Intergovernmental:			
Equitable Sharing	\$ -	\$ 99,763	\$ 99,763
Total Intergovernmental	<u>-</u>	<u>99,763</u>	<u>99,763</u>
Interest:			
Interest earned on investments	- -	1,918	1,918
Interest earned on demand deposits	- -	345	345
Interest earned on demand deposits	<u>- -</u>	<u>(108)</u>	<u>(108)</u>
Total Interest	<u>- -</u>	<u>2,155</u>	<u>2,155</u>
Total Revenues	<u>- -</u>	<u>101,918</u>	<u>101,918</u>
Expenditures:			
Current:			
Public Safety:			
Professional & technical services	12,600	- -	12,600
Purchased property services	10,000	2,854	7,146
Other purchased services	5,075	3,554	1,521
Supplies	18,120	5,517	12,603
Capital outlays	259,618	236,737	22,881
Miscellaneous	<u>269,280</u>	<u>2,499</u>	<u>266,781</u>
Total Public Safety	<u>574,693</u>	<u>251,161</u>	<u>323,532</u>
Total Expenditures	<u>574,693</u>	<u>251,161</u>	<u>323,532</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(574,693)</u>	<u>(149,243)</u>	<u>425,450</u>
Other Financing Sources (Uses):			
Transfers out	<u>(96,623)</u>	<u>(127,648)</u>	<u>(31,025)</u>
Total Other Financing Sources (Uses)	<u>(96,623)</u>	<u>(127,648)</u>	<u>(31,025)</u>
Net Change in Fund Balance	<u>(671,316)</u>	<u>(276,891)</u>	<u>394,425</u>
Fund Balance at Beginning of Year	<u>580,559</u>	<u>580,559</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (90,757)</u>	<u>\$ 303,668</u>	<u>\$ 394,425</u>

CITY OF MISSION, TEXAS
MUNICIPAL COURT TECHNOLOGY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT C-8

	<u>Budgeted</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Charges for Services:			
Court technology fees	\$ 35,000	\$ 25,161	\$ (9,839)
Total Charges for Services	<u>35,000</u>	<u>25,161</u>	<u>(9,839)</u>
Interest:			
Interest earned on investments	400	477	77
Interest earned on demand deposits	150	183	33
Net increase (decrease) in investment fair value	<u>-</u>	<u>(52)</u>	<u>(52)</u>
Total Interest	<u>550</u>	<u>608</u>	<u>58</u>
Total Revenues	<u>35,550</u>	<u>25,769</u>	<u>(9,781)</u>
Expenditures:			
Current:			
General Government:			
Purchased property services	15,725	2,172	13,553
Supplies	1,500	1,222	278
Capital outlays	60,000	14,097	45,903
Miscellaneous	<u>1,175</u>	<u>1,008</u>	<u>167</u>
Total General Government	<u>78,400</u>	<u>18,499</u>	<u>59,901</u>
Total Expenditures	<u>78,400</u>	<u>18,499</u>	<u>59,901</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	<u>(42,850)</u>	<u>7,270</u>	<u>50,120</u>
Net Change in Fund Balance	(42,850)	7,270	50,120
Fund Balance at Beginning of Year	<u>175,249</u>	<u>175,249</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 132,399</u>	<u>\$ 182,519</u>	<u>\$ 50,120</u>

CITY OF MISSION, TEXAS*DESIGNATED PURPOSE FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2018*

	<u>Budgeted</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental:			
DHS-Stonegarden Grant 2016	\$ 250,000	\$ 250,000	\$ -
DHS-Stonegarden Grant 2015	58,000	58,000	-
Bullet Proof Vest Grant	14,393	14,382	(11)
Urban County Grant-B&G Club	25,000	9,133	(15,867)
OVAG Grant# 0802439	42,000	41,836	(164)
Local Border Security Program 2018	205,000	205,000	-
Tx. Dept of Transportation-STEP Grant	62,992	62,648	(344)
2011 SHSP Grant	250,000	-	(250,000)
FTA Grant	667,030	533,626	(133,404)
FTA Freedom Funds Grant	79,729	63,783	(15,946)
TSLAC Grant	3,153	-	(3,153)
NIBRS project grant	27,600	-	(27,600)
Cops Hiring	386,492	338,979	(47,513)
Body camera project grant	192,870	59,397	(133,473)
Body armor grant	39,381	39,381	-
LEOSE-Peace Officer Allocation	9,765	9,765	-
First offender program	60,000	59,000	(1,000)
Texas Parks and Wildlife Grant	500,000	-	(500,000)
Total Intergovernmental	2,873,405	1,744,930	(1,128,475)
Miscellaneous:			
Local Grant-Wal-Mart-Culture and Recreation	1,000	-	(1,000)
Local Wal-Mart Grants-Public Safety	2,500	2,286	(214)
Local MAE power equipment	10,000	9,820	(180)
Total Miscellaneous	13,500	12,106	(1,394)
Total Revenues	2,886,905	1,757,036	(1,129,869)
Bullet Proof Vest Grant:			
Capital outlays	28,786	28,764	22
	28,786	28,764	22
VCLG Grant:			
Personal services	35,069	31,586	3,483
Employee benefits	6,931	10,249	(3,318)
	42,000	41,835	165

CITY OF MISSION, TEXAS*DESIGNATED PURPOSE FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2018*

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
TXDOT-Step Grant:			
Personal services	52,324	51,914	410
Employee benefits	<u>10,668</u>	<u>10,734</u>	(66)
	<u>62,992</u>	<u>62,648</u>	344
COPS Hiring			
Personal services	370,224	331,483	38,741
Employee benefits	<u>112,891</u>	<u>104,119</u>	8,772
	<u>483,115</u>	<u>435,602</u>	47,513
Professional and technical services	55,000	59,000	(4,000)
Other purchased services	<u>5,000</u>	<u>-</u>	5,000
	<u>60,000</u>	<u>59,000</u>	1,000
Fire Prevention Grant			
Capital outlay	<u>2,500</u>	<u>2,286</u>	214
	<u>2,500</u>	<u>2,286</u>	214
LEOSE Grant			
Other purchased services	<u>9,765</u>	<u>9,765</u>	-
	<u>9,765</u>	<u>9,765</u>	-
Capital outlays	<u>39,381</u>	<u>39,381</u>	-
	<u>39,381</u>	<u>39,381</u>	-
Local Border Security Program 2018:			
Personal services	170,489	169,940	549
Employee benefits	<u>34,511</u>	<u>35,060</u>	(549)
	<u>205,000</u>	<u>205,000</u>	-
NIBRS Grant:			
Capital outlays	<u>27,600</u>	<u>-</u>	27,600
	<u>27,600</u>	<u>-</u>	27,600
Body Armor Grant:			
Capital outlays	<u>192,870</u>	<u>76,040</u>	116,830
	<u>192,870</u>	<u>76,040</u>	116,830
Stonegarden Grant:			
Personal services	104,776	108,255	(3,479)
Employee benefits	<u>26,104</u>	<u>22,625</u>	3,479
Capital outlays	<u>119,120</u>	<u>119,120</u>	-
	<u>250,000</u>	<u>250,000</u>	-

CITY OF MISSION, TEXAS*DESIGNATED PURPOSE FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2018*

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
2012 Stonegarden Grant			
Personal services	48,177	48,107	70
Employee benefits	9,823	9,893	(70)
	<u>58,000</u>	<u>58,000</u>	<u>-</u>
Total Public Safety	<u>1,462,009</u>	<u>1,268,321</u>	<u>193,688</u>
Highways and Streets:			
FTA Grant			
Capital outlay	667,030	533,626	133,404
	<u>667,030</u>	<u>533,626</u>	<u>133,404</u>
FTA Freedom Funds Grant			
Capital outlay	79,729	63,783	15,946
	<u>79,729</u>	<u>63,783</u>	<u>15,946</u>
Total Highways and Streets	<u>746,759</u>	<u>597,409</u>	<u>149,350</u>
Culture and Recreation:			
Wal-Mart Grant:			
Capital Outlay	1,000	-	1,000
	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Capital outlays	3,153	-	3,153
	<u>3,153</u>	<u>-</u>	<u>3,153</u>
Urban County Grant-Boys & Girls Club:			
Personal services	23,223	7,595	15,628
Employee benefits	1,777	1,538	239
	<u>25,000</u>	<u>9,133</u>	<u>15,867</u>

CITY OF MISSION, TEXAS*DESIGNATED PURPOSE FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2018*

	Budgeted	Actual	Variance with Final Budget Positive (Negative)
MAE Power Equipment -B&G Club:			
Supplies	2,700	2,590	110
Capital Outlay	7,300	7,230	70
	<u>10,000</u>	<u>9,820</u>	<u>180</u>
Texas Parks and Wildlife:			
Capital outlay	1,500,000	32,320	1,467,680
	<u>1,500,000</u>	<u>32,320</u>	<u>1,467,680</u>
Total Culture and Recreation	<u>1,539,153</u>	<u>51,273</u>	<u>1,487,880</u>
Total Expenditures	<u>3,747,921</u>	<u>1,917,003</u>	<u>1,830,918</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(861,016)</u>	<u>(159,967)</u>	<u>701,049</u>
Other Financing Sources (Uses)			
Transfers in	611,016	159,967	(451,049)
Transfer out	-	-	-
Total Other Financing Sources (Uses)	<u>611,016</u>	<u>159,967</u>	<u>(451,049)</u>
Net Change in Fund Balance	(250,000)	-	250,000
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	\$ <u>(250,000)</u>	\$ <u>-</u>	\$ <u>250,000</u>

CITY OF MISSION, TEXAS
DRAINAGE ASSESSMENT FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2018
EXHIBIT C-10

	<u>Budgeted</u>	<u>Actual</u>	Variance with Final Budget
			Positive (Negative)
Revenues:			
Special Assessments:			
Drainage assessments	\$ 870,000	\$ 940,671	\$ 70,671
Drainage assessments-Granjeno	<u>2,800</u>	<u>2,891</u>	<u>91</u>
Total Assessments	<u>872,800</u>	<u>943,562</u>	<u>70,762</u>
Interest:			
Interest earned on investments	600	14,557	13,957
Interest earned on demand deposits	1,100	910	(190)
Net increase (decrease) in investment fair value	<u>-</u>	<u>(8,046)</u>	<u>(8,046)</u>
Total Interest	<u>1,700</u>	<u>7,421</u>	<u>5,721</u>
Miscellaneous:			
Drainage reimb.-subdividers	<u>-</u>	<u>3,306</u>	<u>3,306</u>
Miscellaneous income	<u>-</u>	<u>177</u>	<u>177</u>
Total Miscellaneous	<u>-</u>	<u>3,483</u>	<u>3,483</u>
Total Revenues	<u>874,500</u>	<u>954,466</u>	<u>79,966</u>
Expenditures:			
Current:			
Highways and Streets:			
Personal services	76,344	78,056	(1,712)
Employee benefits	29,424	29,384	40
Professional and technical services	17,000	16,850	150
Purchased property services	73,000	3,934	69,066
Other purchased services	<u>-</u>	<u>1,148</u>	<u>(1,148)</u>
Supplies	50,000	<u>-</u>	50,000
Capital outlays	1,467,500	618,650	848,850
Miscellaneous	<u>2,000</u>	<u>941</u>	<u>1,059</u>
Total Highways and Streets	<u>1,715,268</u>	<u>748,963</u>	<u>966,305</u>
Total Expenditures	<u>1,715,268</u>	<u>748,963</u>	<u>966,305</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(840,768)</u>	<u>205,503</u>	<u>1,046,271</u>
Net Change in Fund Balance	<u>(840,768)</u>	<u>205,503</u>	<u>1,046,271</u>
Fund Balance at Beginning of Year	<u>1,682,091</u>	<u>1,682,091</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 841,323</u>	<u>\$ 1,887,594</u>	<u>\$ 1,046,271</u>

CITY OF MISSION, TEXAS

EXHIBIT C-11

CEMETERY FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted</u>	<u>Actual</u>	Variance with Final Budget	Positive (Negative)
Revenues:				
Interest:				
Interest earned on demand deposits	\$ -	\$ 46.0	\$ 46.0	
Perpetual care	<u>9,000</u>	<u>9,900</u>	<u>900</u>	
Total Interest	<u>9,000</u>	<u>9,946</u>	<u>946</u>	
	<u>9,000</u>	<u>9,946</u>	<u>946</u>	
Total Revenues	<u>9,000</u>	<u>9,946</u>	<u>946</u>	
Expenditures:				
Current:				
General Government				
Supplies	11,900	1,562	10,338	
Miscellaneous	100	44	56	
Capital outlay	<u>13,000</u>	<u>5,511</u>	<u>7,489</u>	
Total General Government	<u>25,000</u>	<u>7,117</u>	<u>17,883</u>	
	<u>25,000</u>	<u>7,117</u>	<u>17,883</u>	
Total Expenditures	<u>25,000</u>	<u>7,117</u>	<u>17,883</u>	
Excess (Deficiency) of				
Revenues Over (Under) Expenditures	(16,000)	2,829	18,829	
Fund Balance at Beginning of Year	<u>36,374</u>	<u>36,374</u>	<u>-</u>	
Fund Balance at End of Year	<u>\$ 20,374</u>	<u>\$ 39,203</u>	<u>\$ 18,829</u>	

CITY OF MISSION, TEXAS

RECORDS PRESERVATION FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT C-12

	<u>Budgeted</u>	<u>Actual</u>	Variance with Final Budget
			Positive (Negative)
Revenues:			
Charges for Service:			
Vital statistics preservation fee	\$ 6,000	\$ 5,908	\$ (92)
Total Charges for Service	<u>6,000</u>	<u>5,908</u>	<u>(92)</u>
Interest:			
Interest earned on demand deposits	-	8	8
Total Interest	<u>-</u>	<u>8</u>	<u>8</u>
Total Revenues	<u>6,000</u>	<u>5,916</u>	<u>(84)</u>
Expenditures:			
Current:			
Record Preservation:			
Purchased property services	1,000	1,000	-
Other purchased service	1,900	1,810	90
Supplies	4,100	3,910	190
Miscellaneous	100	9	91
Total Record Preservation	<u>7,100</u>	<u>6,729</u>	<u>371</u>
Total Expenditures	<u>7,100</u>	<u>6,729</u>	<u>371</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	(1,100)	(813)	287
Fund Balance at Beginning of Year	<u>9,157</u>	<u>9,157</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 8,057</u>	<u>\$ 8,344</u>	<u>\$ 287</u>

CITY OF MISSION, TEXAS

SPEER MEMORIAL LIBRARY

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT C-13

	<u>Budgeted</u>	<u>Actual</u>	Variance with Final Budget
			Positive (Negative)
Revenues:			
Interest:			
Interest earned on investments	\$ -	\$ 318	\$ 318
Net increase (decrease) in investment fair value	-	(34)	(34)
Total Interest	-	284	284
	<hr/>	<hr/>	<hr/>
Total Revenues	-	284	284
Expenditures:			
Current:			
Culture and Recreation:			
Miscellaneous	-	-	-
Capital outlays	-	-	-
Total Culture and Recreation	-	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	-	-	-
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	-	284	284
Fund Balance at Beginning of Year	<hr/> 25,972	<hr/> 25,972	<hr/> -
Fund Balance at End of Year	<hr/> \$ 25,972	<hr/> \$ 26,256	<hr/> \$ 284

CITY OF MISSION, TEXAS*HOTEL/MOTEL TAX FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2018*

	<u>Budgeted</u>	<u>Actual</u>	Variance with Final Budget
			Positive (Negative)
Revenues:			
Taxes:			
Hotel occupancy tax	\$ 650,000	\$ 408,547	\$ (241,453)
Penalties and interest-hotel occupancy tax	<u>-</u>	<u>3,500</u>	<u>3,500</u>
Total Taxes	<u>650,000</u>	<u>412,047</u>	<u>(237,953)</u>
Charges for Services:			
Rent - Event Center	<u>-</u>	<u>114,479</u>	<u>114,479</u>
Beverage sales - Event Center	<u>-</u>	<u>21,768</u>	<u>21,768</u>
Total Charges for Services	<u>-</u>	<u>136,247</u>	<u>136,247</u>
Interest:			
Interest earned on demand deposits	500	647	147
Interest earned on investments	100	4,512	4,412
Net increase (decrease) in investment fair value	<u>-</u>	<u>78</u>	<u>78</u>
Total Interest	<u>600</u>	<u>5,237</u>	<u>4,637</u>
Total Revenues	<u>650,600</u>	<u>553,531</u>	<u>(97,069)</u>
Expenditures:			
Current:			
Culture and Recreation:			
Tourist Promotion & Advertising:			
Miscellaneous	423,300	401,632	21,668
Other purchased services	37,500	23,174	14,326
Capital outlay	<u>639,293</u>	<u>24,000</u>	<u>615,293</u>
	<u>1,100,093</u>	<u>448,806</u>	<u>651,287</u>
Event Center Operations:			
Personal services	146,680	100,497	46,183
Employee benefits	43,157	34,703	8,454
Purchased property services	71,980	107,991	(36,011)
Other purchased services	44,000	27,805	16,195
Supplies	203,806	180,306	23,500
Capital outlay	615,293	<u>-</u>	615,293
Miscellaneous	<u>66,570</u>	<u>18,007</u>	<u>48,563</u>
	<u>1,191,486</u>	<u>469,309</u>	<u>722,177</u>

CITY OF MISSION, TEXAS*HOTEL/MOTEL TAX FUND**SPECIAL REVENUE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2018*

	Budgeted	Actual	Variance with Final Budget
			Positive (Negative)
Total Culture and Recreation	<u>2,291,579</u>	<u>918,115</u>	<u>1,373,464</u>
Total Expenditures	<u>2,291,579</u>	<u>918,115</u>	<u>1,373,464</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,640,979)</u>	<u>(364,584)</u>	<u>1,276,395</u>
Net Change in Fund Balance	<u>(1,640,979)</u>	<u>(364,584)</u>	<u>1,276,395</u>
Fund Balance at Beginning of Year	<u>1,163,835</u>	<u>1,163,835</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (477,144)</u>	<u>\$ 799,251</u>	<u>\$ 1,276,395</u>

CITY OF MISSION, TEXAS
MUNICIPAL COURT BLDG SECURITY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT C-15

	<u>Budgeted</u>	<u>Actual</u>	Variance with Final Budget
			Positive (Negative)
Revenues:			
Charges for Services:			
Municipal court security fees	\$ 25,000	\$ 18,772	\$ (6,228)
Total Charges for Services	<u>25,000</u>	<u>18,772</u>	<u>(6,228)</u>
Interest:			
Interest earned on investments	100	642	542
Interest earned on demand deposits	100	65	(35)
Net increase (decrease) in investment fair value	-	(346)	(346)
Total Interest	<u>200</u>	<u>361</u>	<u>161</u>
Total Revenues	<u>25,200</u>	<u>19,133</u>	<u>(6,067)</u>
Expenditures:			
Current:			
Purchased property services	5,000	428	4,572
Other purchased services	15,000	8,057	6,943
Supplies	300	-	300
Capital outlay	10,000	-	10,000
Miscellaneous	160	64	96
Total Expenditures	<u>30,460</u>	<u>8,549</u>	<u>21,911</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	<u>(5,260)</u>	<u>10,584</u>	<u>15,844</u>
Net Change in Fund Balance	<u>(5,260)</u>	<u>10,584</u>	<u>15,844</u>
Fund Balance at Beginning of Year	<u>81,047</u>	<u>81,047</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 75,787</u>	<u>\$ 91,631</u>	<u>\$ 15,844</u>

CITY OF MISSION, TEXAS

EXHIBIT C-16

PARK DEDICATION FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budgeted</u>	<u>Actual</u>	Variance with Final Budget
			Positive (Negative)
Revenues:			
Intergovernmental:			
Charges for Services:			
Park dedication fee	\$ 291,198	\$ -	\$ (291,198)
Total Charges for Services	<u>291,198</u>	<u>-</u>	<u>(291,198)</u>
Total Revenues	<u>291,198</u>	<u>-</u>	<u>(291,198)</u>
Expenditures:			
Current:			
Culture and Recreation:			
Zone 1-Northwest:			
Capital outlays	232,138	-	232,138
<u>232,138</u>	<u>-</u>	<u>-</u>	<u>232,138</u>
Zone 2-Northeast:			
Capital outlays	7,240	-	7,240
<u>7,240</u>	<u>-</u>	<u>-</u>	<u>7,240</u>
Zone 3-Southwest:			
Capital outlays	4,333	-	4,333
<u>4,333</u>	<u>-</u>	<u>-</u>	<u>4,333</u>
Zone 4-Southeast:			
Capital outlays	47,487	-	47,487
<u>47,487</u>	<u>-</u>	<u>-</u>	<u>47,487</u>
Zone 5 -Central:			
Total Culture and Recreation	<u>291,198</u>	<u>-</u>	<u>291,198</u>
Total Expenditures	<u>291,198</u>	<u>-</u>	<u>291,198</u>
Revenues Over (Under) Expenditures	-	-	-
Fund Balance at Beginning of Year	-	-	-
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MISSION, TEXAS
JUVENILE CASE MANAGER FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2018
EXHIBIT C-17

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget
			Positive (Negative)
Revenues:			
Charges for Services:			
Juvenile case manager fee	\$ 40,000	\$ 29,856	\$ (10,144)
Total Charges for Services	<u>40,000</u>	<u>29,856</u>	<u>(10,144)</u>
Interest:			
Interest earned on investments	150	600	450
Interest earned on demand deposits	200	129	(71)
Net increase (decrease) in investment fair value	-	(48)	(48)
Total Interest	<u>350</u>	<u>681</u>	<u>331</u>
Total Revenues	<u>40,350</u>	<u>30,537</u>	<u>(9,813)</u>
Expenditures:			
Current:			
Personal services	21,050	20,907	143
Employee benefits	8,170	7,881	289
Other purchased services	3,000	1,276	1,724
Supplies	1,500	1,041	459
Capital Outlay	1,000	-	1,000
Miscellaneous	<u>250</u>	<u>127</u>	<u>123</u>
Total Expenditures	<u>34,970</u>	<u>31,232</u>	<u>3,738</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	5,380	(695)	(6,075)
Fund Balance at Beginning of Year	<u>160,153</u>	<u>160,153</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 165,533</u>	<u>\$ 159,458</u>	<u>\$ (6,075)</u>

CITY OF MISSION, TEXAS

EXHIBIT C-18

PEG CAPITAL FUND

SPECIAL REVENUE FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED SEPTEMBER 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget
			Positive (Negative)
Revenues:			
Charges for Services:			
PEG capital fee	\$ 88,000	\$ 103,998	\$ 15,998
Total Charges for Services	<u>88,000</u>	<u>103,998</u>	<u>15,998</u>
Interest:			
Interest earned on investment	-	6,285	6,285
Interest earned on demand deposit	-	227	227
Net increase (decrease) in investment fair value	-	(3,095)	(3,095)
Total Interest	<u>-</u>	<u>3,417</u>	<u>3,417</u>
Total Revenues	<u>88,000</u>	<u>107,415</u>	<u>19,415</u>
Expenditures:			
Miscellaneous:			
Depository charges	500	249	251
Total Expenditures	<u>500</u>	<u>249</u>	<u>251</u>
Excess (Deficiency) of			
Revenues Over (Under) Expenditures	87,500	107,166	19,666
Fund Balance at Beginning of Year	<u>515,004</u>	<u>515,004</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 602,504</u>	<u>\$ 622,170</u>	<u>\$ 19,666</u>

CITY OF MISSION, TEXAS
TAX INCREMENT REINVESTMENT ZONE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT C-19

	<u>Budgeted</u>	<u>Actual</u>	Variance with Final Budget
			Positive (Negative)
Revenues:			
Intergovernmental:			
Contribution-Hidalgo County	\$ 2,500,000	\$ 2,711,868	\$ 211,868
Total Intergovernmental	<u>2,500,000</u>	<u>2,711,868</u>	<u>211,868</u>
Interest:			
Interest earned on demand deposits	-	88	88
Total Interest	<u>-</u>	<u>88</u>	<u>88</u>
Total Revenues	<u>2,500,000</u>	<u>2,711,956</u>	<u>211,956</u>
Expenditures:			
Current:			
Economic Development	5,070,175	5,252,485	(182,310)
Total Expenditures	<u>5,070,175</u>	<u>5,252,485</u>	<u>(182,310)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,570,175)</u>	<u>(2,540,529)</u>	<u>29,646</u>
Other Financing Sources (Uses):			
Transfers in	2,570,125	2,540,522	(29,603)
Total Other Financing Sources (Uses)	<u>2,570,125</u>	<u>2,540,522</u>	<u>(29,603)</u>
Net Change in Fund Balance	(50)	(7)	43
Fund Balance at Beginning of Year	3,562	3,562	-
Fund Balance at End of Year	<u>\$ 3,512</u>	<u>\$ 3,555</u>	<u>\$ 43</u>

CITY OF MISSION, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2018

EXHIBIT C-20

	<u>Budgeted</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Current ad valorem taxes	\$ 3,260,000	\$ 3,211,545	\$ (48,455)
Delinquent ad valorem taxes	110,000	98,654	(11,346)
Interest & penalties on taxes	<u>75,000</u>	<u>71,481</u>	<u>(3,519)</u>
Total Taxes	<u>3,445,000</u>	<u>3,381,680</u>	<u>(63,320)</u>
Interest:			
Interest earned on investments	4,000	9,244	5,244
Net increase (decrease) in investment fair value	-	(408)	(408)
Interest earned on demand deposits	<u>3,000</u>	<u>727</u>	<u>(2,273)</u>
Total Interest	<u>7,000</u>	<u>9,563</u>	<u>2,563</u>
Total Revenues	<u>3,452,000</u>	<u>3,391,243</u>	<u>(60,757)</u>
Expenditures:			
Current:			
Debt Service:			
Principal retirement	2,635,000	2,635,000	-
Interest and fiscal agent charges	<u>1,479,707</u>	<u>1,460,238</u>	<u>19,469</u>
Total Debt Service	<u>4,114,707</u>	<u>4,095,238</u>	<u>19,469</u>
Total Expenditures	<u>4,114,707</u>	<u>4,095,238</u>	<u>19,469</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(662,707)</u>	<u>(703,995)</u>	<u>(41,288)</u>
Other Financing Sources (Uses):			
Transfers in	775,000	800,106	25,106
Transfers out	<u>(429,000)</u>	<u>(420,548)</u>	<u>8,452</u>
Total Other Financing Sources (Uses)	<u>346,000</u>	<u>379,558</u>	<u>33,558</u>
Net Change in Fund Balance	<u>(316,707)</u>	<u>(324,437)</u>	<u>(7,730)</u>
Fund Balance at Beginning of Year	<u>1,293,342</u>	<u>1,293,342</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 976,635</u>	<u>\$ 968,905</u>	<u>\$ (7,730)</u>

CITY OF MISSION, TEXAS
EXHIBIT C-21
*COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
SEPTEMBER 30, 2018*

	Capital Projects Funds	2009 Certificate of Obligation	2012 Certificate of Obligation	2016 Certificate of Obligation	Total Nonmajor Capital Projects Funds
ASSETS					
Cash and cash equivalents	\$ -	\$ 4,511	\$ -	\$ 5,964	\$ 10,475
Receivables:					
Due from other governments	694,713	-	-	-	694,713
Due from component unit	3,000	-	-	-	3,000
Due from other funds	100,918	-	-	-	100,918
Total Assets	<u>\$ 798,631</u>	<u>\$ 4,511</u>	<u>\$ -</u>	<u>\$ 5,964</u>	<u>\$ 809,106</u>
LIABILITIES					
Accounts payable	\$ 35,765	\$ 3,506	\$ -	\$ -	\$ 39,271
Retainage payable	75,375	-	-	-	75,375
Due to other funds	687,491	63	-	500	688,054
Total Liabilities	<u>\$ 798,631</u>	<u>\$ 3,569</u>	<u>\$ -</u>	<u>\$ 500</u>	<u>\$ 802,700</u>
FUND BALANCES					
Reserved for capital projects	-	942	-	5,464	6,406
Total Fund Balances	<u>-</u>	<u>942</u>	<u>-</u>	<u>5,464</u>	<u>6,406</u>
Total Liabilities and Fund Balances	<u><u>\$ 798,631</u></u>	<u><u>\$ 4,511</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,964</u></u>	<u><u>\$ 809,106</u></u>

CITY OF MISSION, TEXAS
EXHIBIT C-22
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2018

	Capital Projects Fund	2009 Certificate of Obligation	2012 Certificate of Obligation	2016 Certificate of Obligation	Total Nonmajor Capital Projects Funds
Revenues:					
Intergovernmental	\$ 3,361,666	\$ -	\$ -	\$ -	\$ 3,361,666
Interest	-	1,723	-	12,068	13,791
Net increase (decrease) in investment fair value	-	-	-	478	478
Miscellaneous	-	-	-	-	-
Total Revenues	<u>3,361,666</u>	<u>1,723</u>	<u>-</u>	<u>12,546</u>	<u>3,375,935</u>
Expenditures:					
Current:					
Capital projects	3,072,263	229,695	-	5,480,474	8,782,432
Total Expenditures	<u>3,072,263</u>	<u>229,695</u>	<u>-</u>	<u>5,480,474</u>	<u>8,782,432</u>
Revenues Over (Under) Expenditures	<u>289,403</u>	<u>(227,972)</u>	<u>-</u>	<u>(5,467,928)</u>	<u>(5,406,497)</u>
Other Financing Sources (Uses):					
Transfers in	354,788	-	-	-	354,788
Transfers out	-	-	(106)	-	(106)
Total Other Financing Sources (Uses)	<u>354,788</u>	<u>-</u>	<u>(106)</u>	<u>-</u>	<u>354,682</u>
Net Change in Fund Balance	<u>644,191</u>	<u>(227,972)</u>	<u>(106)</u>	<u>(5,467,928)</u>	<u>(5,051,815)</u>
Fund Balance at Beginning of Year	(644,191)	228,914	106	5,473,392	5,058,221
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 942</u>	<u>\$ -</u>	<u>\$ 5,464</u>	<u>\$ 6,406</u>

PROPRIETARY FUNDS

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the government's council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the government's council has decided that periodic determination of net income is appropriate for accountability purposes.

Utility Fund: To account for the provision of water and sewer services to the residents of the City and some residents outside the city limits.

Golf Course Fund: To account for the operations and maintenance of Shary Municipal Golf Course.

Solid Waste Fund: To account for the provision of garbage and brush collection for the residents of the City.

CITY OF MISSION, TEXAS*UTILITY FUND**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2018*

	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Operating Revenues:			
Water sales, net of adjustment	\$ 11,725,000	\$ 11,082,466	\$ (642,534)
Connection fee	120,000	115,776	(4,224)
Reconnect fee	100,000	103,980	3,980
W/W system cap. recovery fee	-	23,587	23,587
Sewage service	6,113,000	5,825,920	(287,080)
Wastewater assessment	75,000	71,620	(3,380)
Service charge	60,000	59,333	(667)
Industrial sewer surcharge	37,000	21,963	(15,037)
Waterline and sewer line	1,100	24,436	23,336
RMA reimbursement	400,000	-	(400,000)
TIRZ reimbursement	6,893,901	4,356,589	(2,537,312)
5% credit card fee	20,000	31,995	11,995
Miscellaneous income	30,000	11,950	(18,050)
Operating Revenues	<u>25,575,001</u>	<u>21,729,615</u>	<u>(3,845,386)</u>
Interest earned	57,000	108,270	51,270
Net increase (decrease) in investment fair value	-	(9,123)	(9,123)
Gain (loss) on disposal of capital assets	-	25	25
Nonoperating Revenues	<u>57,000</u>	<u>99,172</u>	<u>42,172</u>
Total Revenues	<u>25,632,001</u>	<u>21,828,787</u>	<u>(3,803,214)</u>
Operating Expenses:			
Utility Administration:			
Personal services	798,477	735,488	62,989
Employee benefits	207,327	208,422	(1,095)
Purchased property services	18,450	22,645	(4,195)
Other purchased services	16,810	11,782	5,028
Supplies	6,500	5,674	826
Miscellaneous	500	395	105
	<u>1,048,064</u>	<u>984,406</u>	<u>63,658</u>
Water Distribution:			
Personal services	1,068,878	967,377	101,501
Employee benefits	384,558	381,182	3,376
Purchased property services	477,500	604,786	(127,286)
Other purchased services	35,200	26,354	8,846
Supplies	711,750	457,152	254,598
Capital outlays	8,058,637	4,723,067	3,335,570
Miscellaneous	13,300	8,971	4,329
	<u>10,749,823</u>	<u>7,168,889</u>	<u>3,580,934</u>

CITY OF MISSION, TEXAS**UTILITY FUND****ENTERPRISE FUND****BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Water Treatment:			
Personal services	427,119	399,617	27,502
Employee benefits	140,703	141,439	(736)
Professional & technical services	110,000	99,838	10,162
Purchased property services	286,500	269,035	17,465
Other purchased services	11,020	9,459	1,561
Supplies	861,900	803,004	58,896
Capital outlays	374,752	354,255	20,497
Miscellaneous	51,800	51,746	54
	2,263,794	2,128,393	135,401
Wastewater Treatment and Collection:			
Personal services	440,900	426,843	14,057
Employee benefits	141,078	143,579	(2,501)
Professional & technical services	90,000	78,853	11,147
Purchased property services	853,250	627,552	225,698
Other purchased services	10,550	7,798	2,752
Supplies	226,300	215,468	10,832
Capital outlays	509,564	392,845	116,719
Miscellaneous	243,600	227,138	16,462
	2,515,242	2,120,076	395,166
Industrial Pretreatment:			
Personal services	49,408	46,494	2,914
Employee benefits	14,702	15,466	(764)
Purchased property services	160,000	117,425	42,575
Other purchased services	600	-	600
Supplies	13,450	5,167	8,283
Capital outlays	65,500	41,902	23,598
Miscellaneous	75,000	47,658	27,342
	378,660	274,112	104,548
Utility Billing and Collection:			
Personal services	261,694	228,953	32,741
Employee benefits	85,331	85,732	(401)
Purchased property services	23,650	16,793	6,857
Other purchased services	152,575	155,366	(2,791)
Supplies	19,500	18,466	1,034
Capital outlays	1,500	-	1,500
Miscellaneous	2,569	2,902	(333)
	546,819	508,212	38,607

CITY OF MISSION, TEXAS**UTILITY FUND****ENTERPRISE FUND****BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Organizational Expense:			
Professional & technical services	416,000	11,788	404,212
Other purchased services	108,000	102,167	5,833
Miscellaneous	272,600	261,289	11,311
	<u>796,600</u>	<u>375,244</u>	<u>421,356</u>
Meter Readers:			
Personal services	247,212	250,172	(2,960)
Employee benefits	96,424	99,060	(2,636)
Purchased property services	14,000	11,913	2,087
Other purchased services	4,120	4,037	83
Supplies	77,650	62,489	15,161
Capital outlays	25,800	-	25,800
Miscellaneous	700	495	205
	<u>465,906</u>	<u>428,166</u>	<u>37,740</u>
Northside Water Treatment Plant:			
Personal services	335,718	330,762	4,956
Employee benefits	111,102	114,416	(3,314)
Professional & technical services	26,500	21,956	4,544
Purchased property services	412,600	423,386	(10,786)
Other purchased services	4,300	4,202	98
Supplies	1,166,250	1,153,529	12,721
Capital outlays	64,155	51,672	12,483
Miscellaneous	8,850	517	8,333
	<u>2,129,475</u>	<u>2,100,440</u>	<u>29,035</u>
2014 TWDB:			
Professional & technical services	57,765	16,350	41,415
	<u>57,765</u>	<u>16,350</u>	<u>41,415</u>
Professional & technical services	2,558,446	-	2,558,446
Capital outlays	9,096,616	6,983,510	2,113,106
	<u>11,655,062</u>	<u>6,983,510</u>	<u>4,671,552</u>
Total Operating Expenses	<u>32,607,210</u>	<u>23,087,798</u>	<u>9,519,412</u>
Nonoperating Expenses:			
Bond interest expense	833,553	588,497	245,056
Bond fiscal charges	4,400	3,850	550
Bond principal	2,325,000	2,325,000	-
Nonoperating Expenses	<u>3,162,953</u>	<u>2,917,347</u>	<u>245,606</u>

CITY OF MISSION, TEXAS*UTILITY FUND**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2018*

	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Transfers:			
Transfers in (out)	<u>(4,700,000)</u>	<u>(4,400,000)</u>	<u>300,000</u>
Capital Contributions	<u>-</u>	<u>176,592</u>	<u>176,592</u>
Operating and Nonoperating Expenses, Transfers and Capital Contributions (Budgetary Basis)	<u>40,470,163</u>	<u>30,228,553</u>	<u>10,241,610</u>
Net Position (Budgetary Basis)	<u>\$ (14,838,162)</u>	<u>(8,399,766)</u>	<u>\$ 6,438,396</u>
Adjustments:			
Current year depreciation of capital assets, not budgeted		<u>(5,124,921)</u>	
Bond principal		<u>2,325,000</u>	
Amount budgeted as expense per budget basis, capitalized per GAAP basis		<u>12,563,600</u>	
		<u>9,763,679</u>	
Net Position (GAAP Basis)	<u>\$ 1,363,913</u>		

CITY OF MISSION, TEXAS*GOLF COURSE FUND**ENTERPRISE FUND***BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Operating Revenues:			
Pro shop sales	\$ 60,000	\$ 60,630	\$ 630
Cart and club rental	150,000	152,359	2,359
Pull carts and club rentals	1,000	975	(25)
Food and beverage sales	100,000	92,483	(7,517)
Daily green fees	320,000	306,260	(13,740)
Trail fees	45,000	34,474	(10,526)
Juniors' fees	30,000	35,562	5,562
Capital fees	43,000	38,928	(4,072)
Prepaid members	120,000	98,455	(21,545)
Driving range	40,000	28,572	(11,428)
Miscellaneous income	1,000	2,520	1,520
Operating Revenues	<u>910,000</u>	<u>851,218</u>	<u>(58,782)</u>
Nonoperating Revenues:			
Interest earned	-	33	33
Nonoperating Revenues	<u>-</u>	<u>33</u>	<u>33</u>
Total Revenues	<u>910,000</u>	<u>851,251</u>	<u>(58,749)</u>
Operating Expenses:			
Cost of sales-pro shop	60,000	56,665	3,335
Cost of sales-restaurant	52,000	51,637	363
Total Cost of Sales	<u>112,000</u>	<u>108,302</u>	<u>3,698</u>
Golf Course Operation:			
Club House:			
Personal services	263,778	223,427	40,351
Employee benefits	78,464	75,607	2,857
Purchased property services	137,100	104,697	32,403
Other purchased services	7,450	8,510	(1,060)
Supplies	25,300	4,143	21,157
Capital outlays	6,704	3,151	3,553
Miscellaneous	400	159	241
	<u>519,196</u>	<u>419,694</u>	<u>99,502</u>

CITY OF MISSION, TEXAS*GOLF COURSE FUND**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2018*

	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Grounds:			
Personal services	292,351	242,941	49,410
Employee benefits	108,695	107,325	1,370
Purchased property services	24,500	36,405	(11,905)
Supplies	133,000	59,006	73,994
Capital outlays	1,600	260	1,340
	560,146	445,937	114,209
Restaurant:			
Personal services	35,303	33,674	1,629
Employee benefits	7,826	7,030	796
Supplies	-	12	(12)
Miscellaneous	200	894	(694)
	43,329	41,610	1,719
Organizational Expense:			
Other purchased services	8,500	9,053	(553)
Miscellaneous	18,150	17,232	918
	26,650	26,285	365
Total Golf Course Operation	1,261,321	1,041,828	219,493
Depreciation	-	230,759	(230,759)
Total Operating Expenses	1,261,321	1,272,587	(11,266)
Nonoperating Expenses:			
Bond interest expense	-	-	-
Capital lease interest expense	3,850	3,740	110
Bond and capital lease principal	45,564	45,564	-
Nonoperating Expenses	49,414	49,304	110
Transfers:			
Transfers in (out)	300,000	-	(300,000)
Capital Contributions	-	-	-
Operating and Nonoperating Expenses, and Capital Contributions (Budgetary Basis)	1,010,735	1,321,891	(311,156)
Net Position (Budgetary Basis)	(100,735)	(470,640)	(369,905)

CITY OF MISSION, TEXAS*GOLF COURSE FUND**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2018*

	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Adjustments:			
Bond and capital lease principal		45,564	
Amount budgeted as expense per budget basis, capitalized per GAAP basis		3,411	
		48,975	
Net Position (GAAP Basis)		<u><u>(421,665)</u></u>	

CITY OF MISSION, TEXAS**SOLID WASTE****ENTERPRISE FUND****BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED SEPTEMBER 30, 2018**

	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Operating Revenues:			
Garbage fees	\$ 5,708,000	\$ 5,944,564	\$ 236,564
Brush fees	642,500	678,706	36,206
Roll-off fees	5,000	12,681	7,681
Franchise fees	115,000	147,383	32,383
Miscellaneous income	3,000	3,252	252
Operating Revenues	6,473,500	6,786,586	313,086
Nonoperating Revenues:			
Interest earned	9,100	36,468	27,368
Net increase (decrease) in investment fair value	-	(2,998)	(2,998)
Nonoperating Revenues	9,100	33,470	24,370
Total Revenues	6,482,600	6,820,056	337,456
Operating Expenses:			
Personal services	955,042	947,506	7,536
Employee benefits	280,054	291,383	(11,329)
Purchase property services	237,500	363,312	(125,812)
Other purchased services	49,900	50,590	(690)
Supplies	554,100	522,228	31,872
Capital outlays	671,000	622,482	48,518
Solid waste disposal	90,000	108,272	(18,272)
Landfill-Waste disposal service	2,620,000	2,711,757	(91,757)
Landfill charges-Brush	190,000	176,925	13,075
Miscellaneous	34,700	17,825	16,875
	5,682,296	5,812,280	(129,984)
Total Expenses	5,682,296	5,812,280	(129,984)
Depreciation	-	435,742	(435,742)
Total Operating Expense	5,682,296	6,248,022	(565,726)
Non Operating Expenses:			
Bond interest	52,080	52,080	-
Bond fiscal charges	1,100	300	800
Bond principal	770,000	770,000	-
Non-operating Expenses	823,180	822,380	800
Transfers:			
Transfers in (out)	(2,400,000)	(2,000,000)	400,000
Operating and Nonoperating Expenses,			

CITY OF MISSION, TEXAS*SOLID WASTE**ENTERPRISE FUND**BUDGETARY COMPARISON SCHEDULE**FOR THE YEAR ENDED SEPTEMBER 30, 2018*

	Budgeted Amounts	Actual Budget Basis	Variance Positive (Negative)
Transfers and Capital Contributions (Budgetary Basis)	8,082,296	9,070,402	(965,726)
Net Position (Budgetary Basis)	\$ (776,516)	\$ (2,250,346)	\$ 1,303,982

Adjustments:

Bond and capital lease principal	770,000
Amount budgeted as expense per budget basis, capitalized per GAAP basis	622,482
	1,392,482
Net position (GAAP Basis)	(857,864)



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*CAPITAL ASSETS
USED IN THE
OPERATION OF
GOVERNMENTAL
FUNDS*



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EXHIBIT D-1

CITY OF MISSION, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE
As of September 30, 2018 and 2017

	2018	2017
Governmental Funds Capital Assets:		
Land	\$ 38,612,979	\$ 37,659,281
Buildings and structures	37,258,780	21,408,950
Improvements other than buildings	19,631,373	17,831,148
Furniture and equipment	30,879,058	28,759,097
Construction in progress	18,728,355	35,273,010
Infrastructure	<u>106,690,711</u>	<u>96,623,861</u>
 Total Governmental Funds Capital Assets	 <u>\$ 251,801,256</u>	 <u>\$ 237,555,347</u>
 Investment in Governmental Funds Capital Assets by Source:		
General fund revenues	\$ 120,943,705	\$ 114,527,160
Bond funds	54,768,732	49,061,813
Enterprise funds	1,264	1,264
Special funds	28,725,331	26,853,393
Donations	15,312,144	15,337,369
Developers	<u>32,050,080</u>	<u>31,774,348</u>
 Total Governmental Funds Capital Assets	 <u>\$ 251,801,256</u>	 <u>\$ 237,555,347</u>

EXHIBIT D-2

CITY OF MISSION, TEXAS
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES IN FUNCTION AND ACTIVITY
For the fiscal year ended September 30, 2018

Function and Activity:	Governmental Funds			Governmental Funds
	Capital Assets	September 30,	Additions	
	2017			September 30,
General Government	\$ 22,311,618	\$ 6,050,126	\$ 15,941,990	\$ 12,419,754
Public Safety	32,334,464	1,227,960	127,625	33,434,799
Highways and Streets	155,415,560	8,887,338	3,959,718	160,343,180
Health and Welfare	232,967	31,098	7,508	256,557
Cultural and Recreational	<u>27,260,738</u>	<u>18,121,609</u>	<u>35,382</u>	<u>45,346,965</u>
Total Governmental Funds				
Capital Assets	<u><u>\$ 237,555,347</u></u>	<u><u>\$ 34,318,131</u></u>	<u><u>\$ 20,072,223</u></u>	<u><u>\$ 251,801,256</u></u>

CITY OF MISSION, TEXAS
CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
September 30, 2018

Function and Activity	Land	Buildings and Structures	Improvements Other Than Buildings	Furniture and Equipment	Infrastructure	Construction In Progress	Total
General Government	\$ 6,143,074	\$ 3,712,695	\$ 602,628	\$ 1,920,043	\$ 41,314	\$ -	\$ 12,419,754
Public Safety	729,497	11,374,028	271,804	21,057,845	1,625	-	33,434,799
Highways and Streets	30,218,910	-	583,315	4,515,565	106,415,785	18,609,604	160,343,180
Health and Welfare	-	17,406	258	238,892	-	-	256,557
Cultural and Recreational	1,521,497	22,154,651	18,173,366	3,146,713	231,987	118,751	45,346,965
Total Governmental Funds Capital Assets	<u>\$ 38,612,979</u>	<u>\$ 37,258,780</u>	<u>\$ 19,631,372</u>	<u>\$ 30,879,058</u>	<u>\$ 106,690,711</u>	<u>\$ 18,728,355</u>	<u>\$ 251,801,256</u>



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SUPPLEMENTARY SCHEDULES

CITY OF MISSION, TEXAS
UTILITY FUND
SCHEDULE OF REVENUE BOND COVERAGE
Year Ended September 30, 2018

Operating Revenues	\$ 21,720,492
Interest Earned by funds Created by the Bond Indenture	<u>57,968</u>
 Gross Revenues Per Bond Ordinance	 <u>\$ 21,778,460</u>
 Operating Expenses	 15,636,644
Less: Depreciation Expense	<u>(5,124,921)</u>
 Operating Expenses Per Bond Ordinance	 <u>10,511,723</u>
 Net Revenue Per Bond Ordinance	 <u>\$ 11,266,737</u>
 Average Annual Debt Service Requirements	 <u>\$ 2,774,062</u>
 Succeeding Fiscal Year Debt Service Requirement	 <u>\$ 3,154,803</u>
 Required Coverage Ratio	 <u>125%</u>
 Calculated Coverage Ratio	
A) Based upon Average Annual Debt Service Requirements	 <u>406%</u>
B) Based upon Succeeding Fiscal Year Debt Service Requirements	 <u>357%</u>

CITY OF MISSION, TEXAS
UTILITY FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS-
RESTRICTED ACCOUNTS
REVENUE BOND COVERAGE SCHEDULE
REQUIRED BY REVENUE BOND ORDINANCE
Year Ended September 30, 2018

	Interest and Sinking Cash	Waterworks and Sewer Construction Cash	Reserve Cash	Extension and Improvement Cash	Total
Cash	\$ 5,334,476	\$ 407,306	\$ 219,722	\$ 124,617	\$ 6,086,121
Investments	4,174,806	1,077,403	249,690	189,348	5,691,247
Cash and investments September 30, 2017	<u>\$ 9,509,282</u>	<u>\$ 1,484,709</u>	<u>\$ 469,412</u>	<u>\$ 313,965</u>	<u>\$ 11,777,368</u>
Cash receipts:					
Transfer from operating cash	2,928,904	-	-	-	2,928,904
Interest received	42,441	10,396	2,921	2,210	57,968
Total cash receipts	<u>2,971,345</u>	<u>10,396</u>	<u>2,921</u>	<u>2,210</u>	<u>2,986,872</u>
Total cash and investments available	<u>12,480,627</u>	<u>1,495,105</u>	<u>472,333</u>	<u>316,175</u>	<u>14,764,240</u>
Cash disbursements:					
Principal payments	2,325,000	-	-	-	2,325,000
Interest and fiscal charges	837,403	-	-	-	837,403
Transfer to other I&S accounts	6,901,251	-	-	-	6,901,251
Total cash disbursements	<u>10,063,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,063,654</u>
Cash and investments, September 30, 2018	<u>\$ 2,416,973</u>	<u>\$ 1,495,105</u>	<u>\$ 472,333</u>	<u>\$ 316,175</u>	<u>\$ 4,700,586</u>
Total Cash and investments Restricted at September 30, 2018					
is composed of the following:					
Cash and cash equivalents	\$ 455,256	\$ 966,667	\$ 221,187	\$ 125,945	\$ 1,769,055
Investments	900,804	483,288	191,077	155,190	1,730,359
Due from (To) other funds	<u>1,060,913</u>	<u>45,150</u>	<u>60,069</u>	<u>35,040</u>	<u>1,201,172</u>
Total	<u>\$ 2,416,973</u>	<u>\$ 1,495,105</u>	<u>\$ 472,333</u>	<u>\$ 316,175</u>	<u>\$ 4,700,586</u>



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STATISTICAL SECTION

This part of the City of Mission's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	191
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed overtime.	
Revenue Capacity	198
These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	
Debt Capacity	202
Schedules presented in this section provide information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	207
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	210
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	



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City of Mission
Net Position by Component
Last Ten Fiscal Years

	2009	2010	2011 ⁽¹⁾	2012	2013 ⁽²⁾	2014 ⁽³⁾	2015	2016	2017	2018
Governmental Activities										
Net investment in capital assets	\$ 81,796,368	\$ 83,887,342	\$ 84,133,258	\$ 83,493,816	\$ 86,989,075	\$ 90,947,382	\$ 89,565,993	\$ 90,942,556	\$ 102,466,220	\$ 106,676,410
Restricted	3,176,789	3,438,023	5,637,112	6,781,018	6,968,743	8,343,486	8,551,701	9,418,977	7,761,373	7,460,257
Unrestricted	7,831,393	7,082,454	7,201,682	3,784,019	3,619,351	(1,587,640)	2,462,989	170,518	(3,781,146)	(12,357,324)
Total governmental activities net position	<u>\$ 92,804,550</u>	<u>\$ 94,407,819</u>	<u>\$ 96,972,052</u>	<u>\$ 94,058,853</u>	<u>\$ 97,577,169</u>	<u>\$ 97,703,228</u>	<u>\$ 100,580,683</u>	<u>\$ 100,532,051</u>	<u>\$ 106,446,447</u>	<u>\$ 101,779,343</u>
Business-Type Activities										
Net investment in capital assets	\$ 58,872,531	\$ 58,268,682	\$ 59,964,330	\$ 58,362,060	\$ 56,518,755	\$ 54,832,203	\$ 55,987,441	\$ 41,651,937	\$ 52,564,331	\$ 63,237,664
Restricted	5,054,384	4,891,629	4,324,052	4,357,163	4,116,713	3,451,514	3,394,903	18,219,378	12,543,135	4,650,576
Unrestricted	6,694,247	6,126,919	8,521,237	10,924,800	10,480,521	10,588,851	8,329,980	9,660,134	3,667,449	(270,361)
Total business-type activities net position	<u>\$ 70,621,362</u>	<u>\$ 69,287,230</u>	<u>\$ 72,809,619</u>	<u>\$ 73,644,022</u>	<u>\$ 71,159,988</u>	<u>\$ 68,872,567</u>	<u>\$ 67,712,324</u>	<u>\$ 69,531,449</u>	<u>\$ 68,774,915</u>	<u>\$ 67,617,879</u>
Primary Government										
Net investment in capital assets	\$ 140,668,899	\$ 142,156,024	\$ 144,097,588	\$ 141,855,876	\$ 143,507,830	\$ 145,779,585	\$ 145,553,434	\$ 132,594,493	\$ 155,030,551	\$ 169,914,074
Restricted	8,231,373	8,329,652	9,961,164	11,138,181	11,085,456	11,795,000	11,946,604	27,638,355	20,304,508	12,110,833
Unrestricted	14,525,560	13,209,373	15,722,919	14,708,819	14,099,872	9,001,211	10,792,969	9,830,652	(113,697)	(12,627,685)
Total primary government net position	<u>\$ 163,425,912</u>	<u>\$ 163,695,049</u>	<u>\$ 169,781,671</u>	<u>\$ 167,702,875</u>	<u>\$ 168,693,157</u>	<u>\$ 166,575,796</u>	<u>\$ 168,293,007</u>	<u>\$ 170,063,500</u>	<u>\$ 175,221,362</u>	<u>\$ 169,397,222</u>

(1) The 2011 net position was restated to include Mission Economic Development Authority (MEDA), a blended component unit of the City as of September 30, 2012.

(2) The 2013 net position was restated due to the implementation of GASB Statement No. 63.

(3) The 2014 net position was restated due to the implementation of GASB Statement No. 68.

**City of Mission
Changes in Net Position
Last Ten Fiscal Years**

	2009	2010	2011	2012	2013 (1)	2014 (2)	2015	2016	2017	2018
Expenses										
Governmental Activities										
General Government	\$ 7,742,072	\$ 14,511,545	\$ 7,570,043	\$ 8,764,781	\$ 7,937,668	\$ 8,446,306	\$ 8,014,892	\$ 8,405,138	\$ 10,095,896	\$ 16,027,197
Public Safety	20,240,072	19,309,796	19,387,472	21,485,642	21,229,856	23,499,056	21,729,071	23,957,241	23,685,949	23,876,784
Highways and streets	4,223,462	6,427,413	6,255,895	6,532,351	7,297,376	6,963,677	7,450,999	7,493,232	7,571,683	9,421,794
Health and welfare	374,867	570,197	903,935	1,354,970	988,923	1,200,976	1,290,357	1,306,154	1,371,370	1,112,193
Economic development	3,084,465	3,466,582	3,670,268	3,585,902	4,840,988	4,231,038	4,544,891	4,933,314	7,837,590	5,619,556
Culture and recreation	5,125,473	5,661,309	6,044,088	5,904,008	6,247,020	7,073,892	6,499,768	7,220,861	5,399,186	2,057,199
Interest on long-term debt	1,730,135	1,525,661	1,582,058	1,457,105	2,363,699	1,458,261	1,334,983	1,314,872	1,605,954	1,519,729
Total governmental activities expenses	42,530,546	51,472,503	45,413,759	49,084,159	50,905,530	52,873,206	50,864,961	54,630,812	57,477,628	59,634,452
Business-type Activities										
Utility system	15,343,467	15,305,547	15,376,432	16,668,400	16,626,432	16,581,213	16,226,988	17,110,233	17,031,578	16,506,827
Golf course operations	1,388,041	1,288,879	1,374,400	1,414,494	1,403,124	1,396,091	1,272,835	1,285,977	1,318,098	1,316,225
Solid waste operations	4,780,337	4,931,714	5,188,079	5,500,676	5,785,151	7,360,428	4,727,683	4,958,069	5,206,165	5,758,342
Total business-type activities expenses	21,511,845	21,526,140	21,938,911	22,583,570	23,814,707	25,337,732	22,227,506	23,354,279	23,555,841	23,561,394
Total primary government expenses	\$ 64,032,391	\$ 72,998,643	\$ 67,352,670	\$ 71,668,329	\$ 74,720,237	\$ 78,210,938	\$ 73,092,467	\$ 77,985,091	\$ 81,033,469	\$ 83,195,846
Program Revenues										
Governmental Activities										
Charges for services	\$ 1,658,320	\$ 1,625,962	\$ 1,647,709	\$ 1,810,743	\$ 1,848,350	\$ 2,086,383	\$ 1,940,954	\$ 2,025,367	\$ 1,896,971	\$ 1,991,318
General government	121,003	110,007	105,723	83,142	67,164	118,310	61,898	106,985	62,576	67,321
Public Safety	-	630,054	644,298	541,497	682,323	884,355	902,318	918,844	935,777	943,562
Highways and streets	565,910	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-	-
Health and welfare	256,293	274,502	134,981	235,708	153,223	237,738	225,047	263,320	221,780	298,306
Culture and recreation	351,378	279,180	306,294	337,112	328,626	371,962	554,618	413,331	384,671	557,152
Other activities	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	6,389,650	7,271,889	6,152,917	7,475,190	4,937,211	7,905,942	5,896,938	6,558,968	7,855,910	7,326,112
Capital grants and contributions	1,962,259	7,701,238	1,170,433	1,067,989	6,673,301	1,962,278	4,870,238	4,950,222	11,139,643	4,198,191
Total governmental activities program revenues	11,304,813	17,892,832	10,162,355	11,551,381	14,690,198	13,566,968	14,452,011	15,217,037	22,507,328	15,381,962
Business-type activities										
Charges for services	16,114,327	15,140,398	17,412,060	17,643,636	18,012,998	19,207,446	17,674,185	20,983,312	19,036,658	21,693,229
Utility system	1,047,543	905,113	1,137,503	1,080,635	1,03,598	909,563	874,434	900,914	900,432	848,699
Golf course operation	4,777,898	5,187,400	5,813,098	6,032,202	6,242,554	6,348,108	6,425,096	6,564,955	6,660,358	6,783,334
Solid waste operation	172,971	26,525	17,397	14,463	13,216	24,921	13,587	12,082	73,923	57,968
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	684,120	677,685	3,157,395	393,825	483,302	836,355	324,385	924,694	893,581	176,592
Total business-type activities program revenues	22,796,859	21,937,121	\$ 37,699,808	\$ 36,716,142	\$ 40,473,866	\$ 39,763,698	\$ 44,602,994	\$ 50,072,280	\$ 44,941,784	\$ 29,559,822

	2009	2010	2011	2012	2013 (1)	2014 (2)	2015	2016	2017	2018
Net (expense)/revenue	\$ (31,215,733)	\$ (33,579,671)	\$ (35,251,404)	\$ (37,533,378)	\$ (36,215,332)	\$ (39,306,238)	\$ (36,412,950)	\$ (39,413,775)	\$ (34,970,300)	\$ (44,252,490)
Governmental activities										
Business-type activities	1,285,014	410,981	5,598,542	2,581,191	1,968,961	3,084,181	6,031,678	4,009,111	5,998,428	
Total primary government net expense	\$ (29,930,719)	\$ (33,168,690)	\$ (29,652,862)	\$ (34,952,187)	\$ (34,246,371)	\$ (37,317,577)	\$ (33,328,769)	\$ (30,961,189)	\$ (38,254,062)	
General Revenue and Other Changes in Net Position										
Governmental activities										
Taxes	\$ 17,798,280	\$ 17,795,460	18,143,896	18,087,005	18,099,459	18,913,123	19,020,437	19,481,719	20,369,113	20,404,015
Property taxes	9,552,728	9,814,665	10,234,485	10,857,234	10,917,924	11,496,695	11,479,463	11,376,026	11,109,055	11,591,778
Sales taxes										
Franchise taxes	2,265,859	2,326,751	2,396,994	2,790,119	2,542,621	2,636,048	2,650,031	2,668,473	2,730,594	2,807,323
Hotel/motel taxes	400,690	490,446	496,759	537,574	577,711	650,142	748,812	685,834	528,962	412,047
Alcoholic beverage taxes	86,136	79,864	78,066	73,518	69,167	48,018	36,258	31,131	21,983	24,518
Shared revenue-tax increment zone	137,427	2,013,239	1,395,342	201,902	274,030	520,000	210,674	239,545	755,307	762,620
Unrestricted grants and contributions	1,002	-	-	2	-	724	-	-	-	-
Investment earnings	110,515	29,131	41,545	54,703	66,153	99,730	101,357	97,218	102,977	125,138
Miscellaneous	636,427	533,384	965,999	18,122	2,586,583	667,816	643,372	385,199	406,755	628,185
Special item	(196,470)	-	-	-	-	-	-	-	-	-
Transfers										
Total governmental activities	\$ 32,392,594	\$ 35,182,940	\$ 35,953,087	\$ 2,200,000	\$ 2,000,000	\$ 4,600,000	\$ 4,400,000	\$ 4,400,000	\$ 4,860,000	\$ 6,400,000
Business-type activities										
Investment earnings	71,342	17,060	16,782	34,678	50,944	77,145	81,229	77,203	62,283	86,804
Miscellaneous	159,822	221,302	107,065	218,534	52,061	90,774	74,346	110,242	32,074	30,060
Transfers										
Total business-type activities	\$ (1,600,000)	\$ (2,100,000)	\$ (2,200,000)	\$ (2,000,000)	\$ (4,600,000)	\$ (4,400,000)	\$ (4,400,000)	\$ (4,400,000)	\$ (4,860,000)	\$ (6,400,000)
Total primary government	\$ (1,368,836)	\$ (1,861,638)	\$ (2,076,153)	\$ (1,746,788)	\$ (4,496,995)	\$ (4,232,081)	\$ (4,244,425)	\$ (4,212,555)	\$ (4,765,643)	\$ (6,283,136)
Change in Net Position										
Governmental activities	\$ 1,176,861	\$ 1,603,269	\$ 701,683	\$ (2,913,199)	\$ 3,518,316	\$ 126,058	\$ 2,877,454	\$ (48,630)	\$ 5,914,396	\$ (1,096,866)
Business-type activities	(83,822)	(1,450,657)	3,522,389	834,403	(2,528,034)	(2,243,420)	(1,160,244)	1,819,124	(756,532)	(284,708)
Total primary government	\$ 1,093,039	\$ 152,612	\$ 4,224,072	\$ (2,078,797)	\$ 990,282	\$ (2,117,362)	\$ 1,717,210	\$ 1,770,494	\$ 5,157,864	\$ (1,381,574)

(1) The 2013 net position was restated due to the implementation of GASB Statement No. 65.

(2) The 2014 net position was restated due to the implementation of GASB Statement No. 68.

City of Mission
Governmental Activities Tax Revenue By Source
Last Ten Fiscal Years

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Hotel Occupancy Tax	Alcoholic Beverage Tax	Total
2009	\$ 17,798,280	\$ 9,552,728	\$ 2,265,859	\$ 400,690	\$ 86,136	\$ 30,103,693
2010	\$ 17,795,460	\$ 9,814,665	\$ 2,326,751	\$ 490,446	\$ 79,864	\$ 30,507,186
2011	\$ 18,143,897	\$ 10,234,485	\$ 2,396,994	\$ 496,759	\$ 78,066	\$ 31,350,202
2012	\$ 18,087,005	\$ 10,857,234	\$ 2,790,119	\$ 537,574	\$ 73,518	\$ 32,345,450
2013	\$ 18,099,459	\$ 10,917,924	\$ 2,542,621	\$ 577,711	\$ 69,167	\$ 32,206,882
2014	\$ 18,913,123	\$ 11,496,695	\$ 2,636,048	\$ 650,142	\$ 48,018	\$ 33,744,026
2015	\$ 19,020,437	\$ 11,479,463	\$ 2,650,031	\$ 748,812	\$ 36,258	\$ 33,935,001
2016	\$ 19,481,719	\$ 11,376,026	\$ 2,668,473	\$ 685,834	\$ 31,131	\$ 34,243,183
2017	\$ 20,369,113	\$ 11,109,005	\$ 2,730,594	\$ 528,962	\$ 21,983	\$ 34,759,657
2018	\$ 20,404,015	\$ 11,591,778	\$ 2,807,323	\$ 412,047	\$ 24,518	\$ 35,239,681

City of Mission
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2009	2010	2011 (1)	2012	2013	2014	2015	2016	2017	2018
GENERAL FUND										
Pre GASB 54	\$ 194,874	\$ 189,606	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved	\$ 7,083,203	\$ 7,861,173	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	\$ 7,278,077	\$ 8,050,779	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Pre GASB 54	<u>\$ 7,278,077</u>	<u>\$ 8,050,779</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
Post GASB 54										
Nonspendable	\$ -	\$ -	\$ -	\$ 34,400	\$ 32,000	\$ 29,600	\$ 27,200	\$ 24,800	\$ 22,400	\$ 20,000
Long term receivable				713	885	796	1,332	500	826	1,067
Inventory				9,079	16,380	12,795	14,336	16,290	23,750	41,194
Prepaid				-	-	-	-	-	-	23,025
Committed				-	-	-	-	-	-	-
Assigned				-	-	-	-	-	-	-
Significant encumbrance				-	-	-	-	-	-	-
Funds assigned for asset replacement				707,546	625,681	172,579	1,357,108	183,359	580,875	3,489,260
Funds assigned for Boys & Girls Club				95,006	175,221	5,589	85,909	6,000	86,250	68,093
Funds assigned for recreation programs				267,196	295,768	320,422	163,271	87,141	-	-
Subsequent year budget appropriation				32,829	-	-	-	-	-	-
Unassigned				-	1,119,142	2,871,133	4,157,048	4,248,461	2,570,662	1,778,090
Total Post GASB 54	<u>\$ -</u>	<u>\$ 9,179,554</u>	<u>\$ 4,984,804</u>	<u>\$ 3,880,888</u>	<u>\$ 2,591,168</u>	<u>\$ 3,487,294</u>	<u>\$ 4,073,075</u>	<u>\$ 986,387</u>	<u>\$ 1,302,071</u>	<u>\$ (477,004)</u>
ALL OTHER GOVERNMENTAL FUNDS										
Pre GASB 54	\$ 10,796,738	\$ 9,412,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reserved										
Unreserved, reported in										
Special revenue funds										
Total Pre GASB 54	<u>\$ 11,161,627</u>	<u>\$ 12,184,688</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
Post GASB 54										
Restricted	\$ -	\$ -	\$ 3,265,269	\$ 3,124,863	\$ 1,663,852	\$ 1,251,969	\$ 1,625,340	\$ 20,525,988	\$ 5,058,220	\$ 6,406
Capital Improvements				1,862,550	1,862,550	1,975,376	2,151,493	1,937,871	1,963,328	1,665,637
Economic Development				1,114,955	1,315,076	1,688,433	2,065,837	2,429,498	2,819,500	1,293,342
Debt Service				10,000	10,000	10,000	10,000	10,000	10,000	968,906
Aquatics Programs				-	-	-	-	-	-	-
Municipal Court				414,497	464,588	451,861	345,637	371,415	415,524	433,608
PD Asset Sharing				935,693	1,773,041	1,210,028	1,680,978	1,051,581	947,086	656,734
Drainage Improvements				533,047	514,275	1,623,508	1,028,237	1,278,474	1,583,039	1,682,091
Scholarships and Books				25,453	25,594	25,703	25,799	25,826	25,972	26,256
Tourism				437,435	412,953	319,997	539,027	849,426	1,068,442	1,163,835
Perpetual Care				33,839	37,541	46,572	45,074	52,487	35,335	36,374
Records Preservation				9,929	13,016	10,733	8,184	6,918	6,850	9,157
PEG (public, educational, and governmental)				-	-	-	-	419,765	515,003	622,170
Tax Increment				4,402	3,999	3,818	3,487	3,536	3,554	3,555
Total Post GASB 54	<u>\$ -</u>	<u>\$ 8,647,069</u>	<u>\$ 9,557,498</u>	<u>\$ 9,029,881</u>	<u>\$ 9,155,722</u>	<u>\$ 9,642,372</u>	<u>\$ 29,814,237</u>	<u>\$ 12,655,063</u>	<u>\$ 6,818,005</u>	

(1) The 2011 fund balances were restated to include Mission Economic Development Authority (MEDA), a blended component unit of the City as of September 30, 2012.

City of Mission
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 29,812,749	\$ 30,541,631	\$ 31,444,318	\$ 32,411,636	\$ 32,297,592	\$ 33,758,579	\$ 33,951,830	\$ 34,238,861	\$ 34,738,879	\$ 35,273,803
Licenses and permits	515,229	552,496	643,827	554,324	497,739	573,875	550,463	634,871	555,266	528,545
Intergovernmental	5,002,401	15,305,799	7,161,137	7,340,271	5,086,832	8,414,336	10,068,205	8,596,963	16,844,356	10,672,035
Charges for services	954,560	833,506	718,021	905,492	893,511	1,048,380	1,249,275	1,191,107	1,036,163	1,273,238
Fines	820,359	775,992	613,174	811,498	814,104	1,016,847	848,264	807,026	832,596	661,650
Investment earnings	132,095	41,819	54,112	57,649	59,252	87,731	90,628	83,949	163,061	135,555
Special assessments	506,520	523,299	531,715	540,032	682,323	884,355	902,318	918,844	935,777	943,562
Miscellaneous	2,636,184	1,639,861	1,711,765	1,160,974	2,111,479	1,792,201	1,137,003	1,782,135	1,490,207	1,735,783
Total Revenues	<u>40,380,098</u>	<u>50,234,403</u>	<u>42,878,069</u>	<u>43,781,876</u>	<u>42,442,832</u>	<u>47,576,304</u>	<u>48,797,986</u>	<u>48,253,756</u>	<u>56,596,305</u>	<u>51,224,171</u>
Expenditures										
General government	7,708,433	14,177,581	7,338,930	8,810,604	7,950,398	9,391,353	9,057,775	8,878,525	9,782,891	10,992,563
Public safety	17,265,004	18,642,783	18,575,214	20,738,298	20,502,038	20,727,655	21,544,530	21,601,527	21,860,971	22,883,344
Highways and streets	3,598,796	5,327,032	4,356,144	4,504,778	4,127,714	7,276,217	5,336,817	5,304,862	6,612,678	7,201,117
Health and Welfare	373,037	566,753	872,624	1,351,381	960,761	426,376	426,037	459,716	459,447	562,204
Economic and physical development	3,084,465	3,466,582	3,670,268	5,512,540	4,840,988	4,231,038	4,544,891	4,933,314	5,309,187	5,644,555
Culture and recreation	4,778,975	4,883,052	5,092,616	3,585,902	5,632,998	5,518,783	5,454,124	5,668,891	6,676,409	7,040,940
Capital projects	4,388,605	2,664,844	6,274,155	3,104,751	1,547,860	797,446	3,862,838	3,629,593	24,359,561	8,782,432
Debt service	1,723,765	2,010,834	2,299,748	2,202,765	2,143,719	1,970,000	2,088,321	2,099,452	2,986,003	2,762,660
Principal	1,253,891	1,297,107	1,291,973	1,302,540	1,186,585	1,139,237	1,029,937	1,088,156	1,549,344	1,474,920
Interest	8,630	7,450	5,950	5,950	8,239	5,450	5,650	6,300	5,800	5,350
Total expenditures	<u>44,183,600</u>	<u>53,044,018</u>	<u>49,777,622</u>	<u>51,119,509</u>	<u>48,901,300</u>	<u>51,483,555</u>	<u>53,350,920</u>	<u>53,670,336</u>	<u>79,602,291</u>	<u>67,350,085</u>
Excess of revenues over (under) expenditures	(3,803,503)	(2,809,615)	(6,899,553)	(7,337,633)	(6,458,468)	(3,907,251)	(4,552,934)	(5,416,580)	(23,005,986)	(16,125,914)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other financing sources (uses)										
Transfers in	5,593,315	6,267,545	4,997,949	4,725,834	7,420,764	7,399,432	7,706,335	7,361,618	9,002,594	10,635,383
Transfers out	(3,993,315)	(4,167,545)	(2,797,949)	(2,725,835)	(2,820,764)	(2,999,433)	(3,306,334)	(2,961,619)	(4,142,594)	(4,235,384)
Refunding bond issued	-	-	2,930,000	3,165,000	-	-	2,653,865	-	8,085,000	-
Bonds issued	5,804,678	-	-	2,635,000	-	-	-	-	17,610,000	-
Long-term debt proceeds	-	-	84,236	298,283	-	-	-	-	-	-
Premium on bonds issued	168,441	-	-	-	-	-	-	-	4,028,801	-
Discount on bonds issued	-	-	-	(3,185,773)	-	(2,232,849)	-	(9,385,029)	-	-
Payments to refunded bond escrow agent	-	108,326	-	-	190,027	-	-	-	-	-
Capital leases	-	46,800	114,205	259,112	-	53,325	-	-	-	530,306
Sale of capital assets	-	-	-	-	1,184,744	262,322	296,156	153,566	13,060	282,076
Proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>7,573,120</u>	<u>2,255,126</u>	<u>5,328,441</u>	<u>5,171,621</u>	<u>5,974,771</u>	<u>5,136,662</u>	<u>4,696,157</u>	<u>24,892,337</u>	<u>4,873,060</u>	<u>7,212,381</u>

Special and extraordinary items:

Special item	(295,683)	-	-	-	-	-	-	-	-	-
Total special and extraordinary items	<u>(295,683)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 3,769,617</u>	<u>\$ (554,489)</u>	<u>\$ (1,571,112)</u>	<u>\$ (2,166,012)</u>	<u>\$ (483,697)</u>	<u>\$ 1,229,411</u>	<u>\$ 143,223</u>	<u>\$ 19,475,758</u>	<u>\$ (18,132,925)</u>	<u>\$ (8,913,533)</u>

Debt service as a percentage of noncapital expenditures⁽¹⁾

7.91%	7.15%	8.90%	7.90%	7.54%	7.00%	6.94%	6.75%	6.91%	8.81%	7.95%
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**CITY OF MISSION, TEXAS
GENERAL GOVERNMENTAL TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Occupancy Tax	Alcoholic Beverage Tax	Total
2009	17,507,334	9,552,728	2,265,859	400,690	86,136	29,812,747
2010	17,829,903	9,814,665	2,326,751	490,446	79,864	30,541,629
2011	18,236,586	10,234,485	2,396,994	496,759	78,066	31,442,891
2012	18,151,725	10,857,234	2,790,119	537,574	73,518	32,410,170
2013	18,190,169	10,917,924	2,542,621	577,711	69,167	32,297,592
2014	18,927,676	11,496,695	2,636,049	650,142	48,018	33,758,580
2015	19,037,265	11,479,463	2,650,031	748,812	36,258	33,951,829
2016	19,477,396	11,376,027	2,668,473	685,834	31,131	34,238,861
2017	20,348,335	11,109,005	2,617,000	529,509	21,983	34,625,832
2018	20,438,137	11,591,778	2,807,323	412,126	24,518	35,273,882

City of Mission
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended September 30,	Real Property			Non-Real Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate ¹	Estimated Actual Taxable Value ²	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Personal Property	Property	Property					
2009	1,308,104,315	1,737,671,626	287,384,742	420,102,009	2,913,058,674	0.5666	3,333,160,683	0.87%		
2010	1,401,660,290	1,937,539,558	274,072,218	486,901,384	3,126,370,682	0.5566	3,613,272,066	0.87%		
2011	1,463,644,082	2,032,661,499	268,558,129	532,302,145	3,232,561,565	0.5566	3,764,863,710	0.86%		
2012	1,468,867,159	2,043,740,424	366,527,219	558,744,227	3,320,390,575	0.5388	3,879,134,802	0.86%		
2013	1,500,235,907	2,085,403,055	376,726,890	555,879,190	3,406,486,662	0.5288	3,962,365,852	0.86%		
2014	1,503,272,817	2,208,552,001	384,505,956	575,539,632	3,520,791,142	0.5288	4,096,330,774	0.86%		
2015	1,509,471,690	2,242,310,656	371,410,887	582,674,815	3,540,518,418	0.5188	4,123,193,233	0.86%		
2016	1,652,176,687	2,408,822,295	411,528,454	628,526,679	3,844,000,757	0.4988	4,472,527,436	0.86%		
2017	1,731,082,709	2,592,628,665	385,814,945	630,109,869	4,079,416,450	0.4962	4,709,526,319	0.87%		
2018	1,760,460,244	2,648,234,484	403,540,221	677,902,135	4,134,332,814	0.4962	4,812,234,949	0.86%		

1. Tax rate per every \$100 valuation of property.

2. The estimated property value is derived directly from the Levy Roll Tax Totals provided by the Hidalgo County Tax Assessor.

**City of Mission
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

Fiscal Year	City of Mission			Overlapping Rates ¹						Total Direct & Overlapping Rates ²	
	Operating Tax Rate	Service Tax Rate	Total City Tax Rate	Hidalgo County			School District				
				Mission ISD	Sharyland ISD	La Joya ISD	South Texas ISD	Tax Rate	Tax Rate		
2008-09	0.4609	0.1057	0.5666	0.5900	1.1240	1.1850	1.3216	0.0492	0.0700	0.1498	
2009-10	0.4413	0.1153	0.5566	0.5900	1.2800	1.2000	1.3110	0.0492	0.0725	0.1491	
2010-11	0.4498	0.1068	0.5566	0.5900	1.3000	1.2000	1.3110	0.0492	0.0725	0.1497	
2011-12	0.4221	0.1167	0.5388	0.5900	1.3000	1.2000	1.3110	0.0492	0.0733	0.1507	
2012-13	0.4086	0.1202	0.5288	0.5900	1.3000	1.2855	1.3110	0.0492	0.0750	0.1507	
2013-14	0.4212	0.1076	0.5288	0.5900	1.3000	1.2855	1.3110	0.0492	0.0957	0.1500	
2014-15	0.4140	0.1048	0.5188	0.5900	1.3300	1.3355	1.3110	0.0492	0.0957	0.1850	
2015-16	0.4000	0.0988	0.4988	0.5900	1.3672	1.3355	1.3110	0.0492	0.0951	0.1850	
2016-17	0.4404	0.0558	0.4962	0.5900	1.3582	1.3755	1.3110	0.0492	0.0951	0.1850	
2017-18	0.4058	0.0804	0.4862	0.5800	1.3398	1.3755	1.3110	0.0492	0.0951	0.1780	

Source: Hidalgo County Tax Office and La Joya Tax Office.

1. Overlapping rates are those of the City, County, and school districts that apply to property owners within the City of Mission. Not all overlapping rates apply to all City of Mission property owners (for example the rates for La Joya School District apply only to the proportion of the City's property owners whose property is located within the geographic boundaries of the La Joya School District).
2. (Total Tax Rate)-The allocation of operation and debt service is not available at this time for the County, School Districts, Special Districts and the Community College.

City of Mission
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	Tax Year 2018			Tax Year 2009		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Frontera Generation LTD	\$ 57,631,060	1	1.39%	-	-	-
Sharyland Retail LTD	29,614,441	2	0.72%	33,385,206	2	1.15%
AEP Texas Central Co	27,348,830	3	0.66%	13,197,100	5	0.00
Sharyland Utilities LP	22,698,130	4	0.55%	36,477,330	1	1.25%
Bert Ogden Chevrolet	20,186,047	5	0.49%	22,672,428	3	0.78%
Juniper Sharyland LTD	18,749,737	6	0.45%	-	-	0.00%
Santa Lucia at Bentsen Lakes	16,693,334	7	0.40%	-	-	0.00%
Royal Technologies Corporation	15,604,647	8	0.38%	-	-	0.00%
Wal-Mart Real Estate Business	15,073,641	9	0.36%	10,798,424	7	0.37%
Royal Technologies Corp.	14,347,549	10	0.35%	-	-	0.00%
Halliburton Energy Serv (HS)	-	-	-	13,613,760	4	0.47%
BBCW/Moran Sharyland LP	-	-	-	13,148,825	6	0.45%
Cook, Vannie Trusts	-	-	-	10,185,086	8	0.35%
Colorado Mission Partnership LTD	-	-	-	10,166,955	9	0.35%
Southwestern Bell Telephone	-	-	-	10,047,460	10	0.34%
Total	<u><u>\$ 237,947,416</u></u>		<u><u>5.76%</u></u>	<u><u>\$ 173,692,574</u></u>		<u><u>5.96%</u></u>

Source: Hidalgo County Appraisal District

City of Mission
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended September 30	Total Tax Levy for Fiscal Year	Collection within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collection to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2009	17,305,109	16,251,424	93.9%	987,897	17,239,321	99.6%
2010	17,361,554	16,529,835	95.2%	758,028	17,287,863	99.6%
2011	17,803,116	16,989,023	95.4%	732,109	17,721,132	99.5%
2012	17,798,270	17,102,655	96.1%	607,521	17,710,176	99.5%
2013	17,835,988	17,194,844	96.4%	538,283	17,733,127	99.4%
2014	18,585,075	17,937,794	96.5%	526,750	18,464,544	99.4%
2015	18,689,445	18,034,797	96.5%	473,828	18,508,625	99.0%
2016	19,097,947	18,465,405	96.7%	388,481	18,853,886	98.7%
2017	20,104,913	19,358,866	96.3%	342,884	19,701,750	98.0%
2018	19,976,560	19,370,557	97.0%	-	19,370,557	97.0%

City of Mission
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita			
	General Obligation Bonds		Notes Payable		Revenue Bonds		General Obligation Bonds							
	Capital Leases	Leases	Capital	Leases	Revenue Bonds	Bonds	Capital Leases	Bonds						
2009	31,369,184	272,001	81,739	37,251,918	220,000		300,706		69,495,548	0.45%	1,013			
2010	29,502,057	168,000	143,232	29,959,204	-		206,332		59,978,825	0.37%	833			
2011	30,348,323	96,000	70,484	32,089,427	-		113,252		62,717,486	0.37%	814			
2012	30,982,042	24,000	24,719	31,659,650	-		40,730		62,731,141	0.35%	790			
2013	28,877,394	-	-	30,142,873	-		41,282		59,061,549	0.32%	734			
2014	27,903,296	-	-	29,032,906	4,880,000		28,762		61,844,964	0.33%	763			
2015	25,758,810	-	-	26,861,210	4,675,000		15,644		57,310,664	0.29%	707			
2016	44,118,902	-	-	40,719,199	3,930,000		198,500		88,966,601	0.43%	1,068			
2017	40,800,667	-	-	37,826,805	3,170,000		149,097		81,946,569	0.39%	964			
2018	38,236,080	-	-	35,364,411	2,400,000		103,535		76,104,026	0.35%	885			

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

City of Mission
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Debt Payable From Business-type Revenues		Actual Taxable Value of Property ⁽¹⁾	Percentage of Estimated Actual Taxable Value of Property Per Capita ⁽²⁾
			Total			
2009	31,589,184	1,140,526	220,000	30,228,658	1.04%	440.82
2010	29,502,057	1,472,816	-	28,029,241	0.90%	389.28
2011	30,348,323	1,114,955	-	29,233,368	0.90%	379.37
2012	30,982,042	1,315,076	-	29,666,966	0.89%	373.79
2013	28,877,394	1,688,433	-	27,188,961	0.80%	337.95
2014	32,783,296	2,065,837	4,880,000	25,837,459	0.73%	318.78
2015	30,433,810	2,429,499	4,675,000	23,329,311	0.66%	287.84
2016	48,048,902	2,819,500	3,930,000	41,299,402	1.07%	495.80
2017	43,970,667	1,293,342	3,170,000	39,507,325	0.97%	464.99
2018	40,636,110	968,906	3,170,000	36,497,204	0.88%	424.26

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

City of Mission
Direct and Overlapping Governmental Activities Debt
As of September 30, 2018

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Hidalgo County	\$ 363,635,000	11.54%	\$ 41,963,479
Hidalgo County Drainage District #1	119,805,000	12.10%	14,496,405
Hidalgo Independent School District	32,036,000	0.32%	102,515
La Joya Independent School District	223,190,945 ⁽¹⁾	15.15%	33,813,428
Mission Consolidated Independent School District	122,933,000 ⁽¹⁾	72.80%	89,495,224
Sharyland Independent School District	105,819,999 ⁽¹⁾	59.56%	63,026,391
South Texas College District	143,065,000	11.10%	<u>15,880,215</u>
Subtotal Overlapping Debt			<u>\$ 258,777,658</u>
 City of Mission	 36,235,000	 100.00%	 <u>36,235,000</u>
Total Direct and Overlapping Debt			<u>\$ 295,012,658</u>

⁽¹⁾ Estimated Percentage is calculated as follows:

Market value of the common land within the shared entity divided by the total value of the City of Mission.

Source: Municipal Advisory Council of Texas.

City of Mission
Legal Debt Margin Information
Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt Limit	\$ 145,652,934	\$ 156,318,534	\$ 161,628,078	\$ 166,019,529	\$ 170,324,333	\$ 176,039,557	\$ 177,025,921	\$ 192,200,038	\$ 203,970,823	\$ 206,716,641
Total net debt applicable to limit	30,228,658	28,029,241	29,233,368	29,666,966	27,188,961	25,837,459	23,329,311	41,299,402	39,507,325	36,497,204
Legal debt margin	<u>\$ 115,424,276</u>	<u>\$ 128,289,293</u>	<u>\$ 132,394,710</u>	<u>\$ 136,352,563</u>	<u>\$ 143,135,372</u>	<u>\$ 150,202,098</u>	<u>\$ 153,696,610</u>	<u>\$ 150,900,636</u>	<u>\$ 164,463,498</u>	<u>\$ 170,219,437</u>
Total net debt applicable to the limit as a percentage of debt limit	20.75%	17.93%	18.09%	17.87%	15.96%	14.68%	13.18%	21.49%	19.37%	17.66%

Legal Debt Margin Calculation for Fiscal Year

Assessed value	\$ 2,913,058,674	\$ 3,126,370,682	\$ 3,232,561,565	\$ 3,520,791,142	\$ 3,406,486,662	\$ 3,520,791,142	\$ 3,540,518,418	\$ 3,844,000,757	\$ 4,079,416,450	\$ 4,134,332,814
Add back: exempt real property	-	-	-	-	-	-	-	-	-	-
Total assessed value	<u>\$ 2,913,058,674</u>	<u>\$ 3,126,370,682</u>	<u>\$ 3,232,561,565</u>	<u>\$ 3,520,791,142</u>	<u>\$ 3,406,486,662</u>	<u>\$ 3,520,791,142</u>	<u>\$ 3,540,518,418</u>	<u>\$ 3,844,000,757</u>	<u>\$ 4,079,416,450</u>	<u>\$ 4,134,332,814</u>
Debt limit (5% of total assessed value)	145,652,934	156,318,534	161,628,078	166,019,529	170,324,333	176,039,557	177,025,921	192,200,038	203,970,823	206,716,641
Debt applicable to limit:										
General obligation bonds	31,589,184	29,502,057	30,348,323	30,982,042	28,877,394	32,783,296	30,433,810	48,048,902	43,970,667	40,636,110
Less: Amount set aside for repayment of general obligation debt	(1,140,526)	(1,472,816)	(1,114,955)	(1,315,076)	(1,688,433)	(2,065,837)	(2,429,499)	(2,819,500)	(1,293,342)	(968,906)
Less: Business-type general obligations	(220,000)	-	-	-	-	(4,880,000)	(4,675,000)	(3,930,000)	(3,170,000)	
Total net debt applicable to limit	<u>\$ 30,228,658</u>	<u>\$ 28,029,241</u>	<u>\$ 29,233,368</u>	<u>\$ 29,666,966</u>	<u>\$ 27,188,961</u>	<u>\$ 25,837,459</u>	<u>\$ 23,329,311</u>	<u>\$ 41,299,402</u>	<u>\$ 39,507,325</u>	<u>\$ 36,497,204</u>
Legal debt margin	<u>\$ 115,424,276</u>	<u>\$ 128,289,293</u>	<u>\$ 132,394,710</u>	<u>\$ 136,352,563</u>	<u>\$ 143,135,372</u>	<u>\$ 150,202,098</u>	<u>\$ 153,696,610</u>	<u>\$ 150,900,636</u>	<u>\$ 164,463,498</u>	<u>\$ 170,219,437</u>

Note: Texas statutes do not prescribe a debt limit; however, by custom a practical economic debt limit of 5% of the assessed valuation is used.

City of Mission
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Revenue Bonds					
	Charges and Other ⁽¹⁾	Less: Operating Expenses ⁽²⁾	Net Available Revenue	Debt Service ⁽³⁾		
				Principal	Interest	Coverage ⁽⁴⁾
2009	16,289,267	9,016,007	7,273,260	2,172,316	1,966,747	1.76%
2010	15,272,007	9,197,669	6,074,338	2,056,000	1,339,718	1.79%
2011	17,530,504	9,422,969	8,107,535	1,856,000	1,265,272	2.60%
2012	17,754,118	10,004,211	7,749,907	1,933,000	1,192,441	2.48%
2013	18,053,516	10,087,267	7,966,249	2,000,000	1,115,474	2.56%
2014	19,289,418	10,112,569	9,176,849	2,091,000	888,111	3.08%
2015	17,748,586	10,453,361	7,295,225	2,360,000	792,799	2.31%
2016	21,047,816	10,556,595	10,491,221	2,755,000	869,530	2.89%
2017	19,119,210	11,481,589	7,637,621	2,325,000	833,553	2.42%
2018	21,778,460	10,511,723	11,266,737	2,370,000	784,803	3.57%

(1) Total operating revenues including interest earned on funds created by the bond ordinance.

(2) Total operating expenses exclusive of depreciation.

(3) Revenue bonds only. Amounts do not include the general obligation bonds reported in the Utility Fund or debt defeasance transactions-succeeding year.

(4) Per first lien revenue bond covenants, the required coverage is 1.25.

Note: The City does not have special assessment bonds.

City of Mission
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population ⁽¹⁾	MSA ⁽²⁾		Median Age ⁽¹⁾	Percentage High School Graduates ⁽³⁾	School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾
		Personal Income	Capita Income				
2009	-	15,409,425,000	20,917	32.2	79.6	15,439	9.30%
2010	-	16,036,052,000	21,171	30.9	82.4	15,341	9.90%
2011	77,058	16,965,278,000	21,771	30.9	82.9	15,517	10.20%
2012	79,368	17,789,208,000	22,390	29.8	89.0	25,845	8.10%
2013	80,452	18,341,843,000	22,757	27.2	88.9	25,766	7.90%
2014	81,050	18,827,748,000	23,073	29.3	90.7	25,645	6.90%
2015	82,431	19,740,566,000	23,753	30.3	94.6	25,676	6.10%
2016	83,298	20,702,880,000	24,579	30.5	89.7	25,819	6.20%
2017	84,963	22,047,000,000	25,617	30.5	94.1	25,819	6.20%
2018	86,025	22,961,950,500	26,232	30.5	92.9	25,861	6.10%

(1) Estimated (except for the FY 2011-information was received from the 2010 US Census) & Texas Demographics.

(2) MSA-Metropolitan Statistical Area for Mission-McAllen-Edinburg- Source: Texas Labor Market Information

(3) Source: Texas Education Agency, Local School Directory.com, Mission CISD & added Sharyland ISD 2012

(4) Source: Labor Market & Career Information, Texas Workforce Commission, Tracer (Data Link - Data Types)

City of Mission
Principal Employers
Current Year and Nine Years Ago

Employer	2018₍₁₎			2009₍₁₎		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Mission CISD	2,400	1	3.41%	2,412	1	3.76%
Sharyland ISD	1,685	2	2.39%	1,168	2	1.82%
Mission Regional Medical Center	1,000	3	1.42%	950	3	1.48%
T-Mobile	830	4	1.18%	888	4	1.39%
City of Mission	704	5	1.00%	684	6	1.07%
H.E.B.	647	6	0.92%	641	5	1.00%
Wal-Mart Super Center	328	7	0.47%	383	7	0.60%
Home Depot	180	8	0.26%			
Royal Technologies	178	9	0.25%			
Target	170	10	0.24%	165	9	0.26%
Haliburton Energy Services				200	8	0.31%
Club at Cimarron				150	10	0.23%
Total	8,122		11.54%	7,641		11.92%

(1) Source: Mission Economic Development Corporation and City of Mission's budget office.

City of Mission
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of September 30									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	80	79	77	77	76	82	87	89	90	99
Public Safety										
Police	126	130	140	146	146	146	146	149	157	157
Officers	51	52	53	53	51	50	50	46	46	50
Civilians										
Fire	67	67	66	67	67	67	67	67	67	67
Firefighters and Officers	6	6	8	7	7	7	7	7	7	7
Civilians										
Highways and Streets	33	33	33	32	32	32	32	32	37	37
Streets										
Health and Welfare	7	7	7	8	8	8	8	8	9	11
Health										
Culture and recreation	3	3	3	2	3	2	2	2	0	0
Aquatics	0	0	0	0	0	0	0	0	2	2
Mayberry Pool	0	0	0	0	0	0	0	0	1	1
Bannworth Pool										
Museum	3	4	4	4	4	4	5	5	5	5
Parks and Recreation	47	44	45	45	44	45	45	52	52	52
Library	20	20	22	21	19	19	19	19	18	19
Golf Course	17	16	17	17	17	17	17	17	15	15
Sanitation										
Water distribution	79	83	87	86	88	87	87	88	90	90
Wastewater	13	12	12	15	13	14	14	13	13	13
Solid Waste ⁽¹⁾	-	-	-	-	-	17	17	19	19	22
Community Development	3	5	4	3	3	3	3	3	3	3
Total	555	561	578	583	578	601	606	614	631	650

Source: City of Mission Finance Department-Budget Office.
(1) City began in-house solid waste collection in FY2014

City of Mission
Operating Indicators by Function
Last Ten Fiscal Years

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police	4,002	4,373	3,000	4,305	4,079	3,632	3,050	3,135	3,998	2,538
Physical arrests	67	41	35	75	55	29	75	45	23	17
Parking Violation	20,757	10,957	12,970	13,685	8,093	12,071	19,882	12,112	10,601	9,118
Traffic Violations										
Fire										
Number of calls answered	1,967	2,450	2,738	3,239	2,818	3,715	3,888	3,636	3,557	3,657
Inspections	3,015	2,392	2,154	1,803	2,599	1,773	2,116	2,474	1,343	2,205
Highways and Streets										
Streets resurfacing (miles)	3,750	5,596	4,240	5,530	5,130	6,070	10,110	4,860	7,100	13,600
Potholes repaired	6,438	12,449	6,710	15,783	21,122	30,911	23,898	21,031	14,939	13,587
Sanitation										
Refuse collected (tons/day) ⁽¹⁾	150	173	176	218	225	377	443	451	521	509
Recyclables collected (tons/day)	0.21	0.16	0.26	0.26	0.24	0.27	0.34	0.44	0.38	0.38
Culture and recreation										
Golf Course Rounds	65,942	52,491	59,162	54,056	60,306	46,388	36,971	46,477	46,709	42,227
Recreation Programs	32	32	32	32	37	31	22	14	17	17
Parks Maintained	25	25	25	25	25	25	25	25	25	25
Water										
New connections (year)	1,748	463	512	370	353	297	486	398	393	407
Water mains breaks (year)	557	649	452	507	395	463	344	258	198	161
Average daily consumption (millions of gallons)	13.23	11.00	13.63	12.63	13.02	12.56	10.62	12.42	14.25	12.94
Wastewater										
Average daily sewage treatment	5.97	6.57	6.32	6.68	7.09	7.19	7.42	7.39	7.14	7.46

Sources: Various City departments.

Note: Indicators are not available for the general government function.

(1) Information for 2006 estimated.

City of Mission
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public Safety										
Police Protection	1	1	2	2	2	2	2	2	2	2
Stations	96	87	100	111	111	111	111	111	111	114
Patrol Units										
Fire Protection	4	4	5	5	5	5	5	5	5	5
Fire Stations										
Highways and Streets	548,67	549,02	554,20	555,66	560,79	387,14	387,45	389,06	389,06	396,79
Streets (miles)	2,726	4,856	4,945	4,473	4,158	4,261	4,281	4,332	4,332	4,411
Number of Streetlights										
Culture and recreation	419	419	419	419	419	419	419	419	419	235
Parks acreage										
Parks	25	25	25	25	25	25	25	25	25	25
Swimming pools	2	2	2	3	3	3	3	2	2	2
Tennis Courts	4	4	4	4	4	9	9	9	9	9
Community Centers										
Water										
Water Plants	2	2	2	2	2	2	2	2	2	2
Water mains (miles)	425,36	429,07	436,35	442,21	457,45	460,79	459,23	461,33	461,33	464,78
Fire hydrants	2,457	2,481	2,496	2,784	2,803	2,813	2,820	2,835	2,835	2,854
Number of Service connections	23,785	24,248	24,734	25,157	25,510	25,807	26,293	26,713	26,713	27,500
Number of Gallons Sold (in millions)	4,228,78	3,613,76	4,513,88	4,678,99	4,844,63	4,305,08	3,609,67	3,973,49	3,973,49	4,341,58
Daily Average Consumption (gallons) (1)	11.59	9.90	12.37	12.81	13.27	11.80	9.89	10.88	10.88	11.89
Sewer										
Number of Treatment plants	1	1	1	1	1	1	1	1	1	1
Sanitary sewers (miles)	325,11	325,93	328,70	328,707	356,75	357,77	358,14	359,99	359,99	362,33
Number of Service connections	21,285	21,694	22,110	22,439	22,815	23,028	23,437	23,871	23,871	24,571
Storm sewers (miles)	115,91	116,83	118,99	121,16	145,03	145,92	146,02	146,79	146,79	148,1
Daily average treatment in gallons (1)	5.97	6.57	6.60	6.70	7.10	7.20	7.40	7.40	7.40	7.50
Maximum daily treatment capacity (1)	6.70	12.92	7.87	8.60	9.18	12.00	9.98	11.90	11.90	14.46

Source: City departments.

(1) Amount is in millions.

Note: No capital asset indicators are available for the general government function.



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